S. HRG. 99-640

PUBLIC BUILDINGS AUTHORIZATION ACT OF 1986

HEARING

BEFORE THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE

NINETY-NINTH CONGRESS

SECOND SESSION

ON

S. 2397

A BILL TO AUTHORIZE APPROPRIATIONS FOR THE PUBLIC BUILDINGS SERVICE OF THE GENERAL SERVICES ADMINISTRATION FOR FISCAL YEAR 1987

AND

H.R. 2403

AN ACT TO REQUIRE THAT PUBLIC BUILDINGS CONSTRUCTED OR ALTERED UNDER THE PUBLIC BUILDINGS ACT OF 1959 COMPLY, TO THE MAXIMUM EXTENT FEASIBLE, WITH NATIONALLY RECOGNIZED MODEL CODES AND WITH LOCAL ZONING LAWS AND CERTAIN OTHER LAWS

MAY 14, 1986

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CONTENTS

Page

Stafford, Hon. Robert T., U.S. Senator from the State of Vermont, opening statement of 1

WITNESSES

Kuchnicki, Richard P., president, Council of American Building Officials 5
Written statement 20
Shaw, Hon. Clay, Jr., a Representative in Congress from the State of Florida 2
Written statement 12
Smith, Hon. F. Robert, a Representative in Congress from the State of Oregon 3
Written statement 15
Specter, Hon. Arlen, U.S. Senator from the State of Pennsylvania 11
Written statement 48
Sullivan, William F., Commissioner, Public Buildings Service, General Services Administration, accompanied by William Lawson, Deputy Assistant Commissioner for Real Property Development; Joanne Venneberg, Assistant Commissioner for Real Property Planning; and Stuart Smith, Executive Director 8
Written statement 29
Responses to additional questions from:
Senator Stafford 39
Senator Bentsen 45
Senator Lautenberg 46
Views of the General Services Administration on H.R. 2403 79

ADDITIONAL MATERIAL

Bills:
S. 2397 67
H.R. 2403 75
Statements:
Thurmond, Hon. Strom, U.S. Senator from the State of South Carolina 53
Postal Service 55
Associated General Contractors of America 59
Ratkovich, Bowers, & Perez, Inc 63

PUBLIC BUILDINGS AUTHORIZATION ACT OF 1986

WEDNESDAY, MAY 14, 1986

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, DC.

The committee met, pursuant to notice, at 10:55 a.m., in room 406, Dirksen Senate Office Building, Hon. Robert T. Stafford (chairman of the committee) presiding.

Present: Senators Stafford and Abdnor.

OPENING STATEMENT OF HON. ROBERT T. STAFFORD, U.S. SENATOR FROM THE STATE OF VERMONT

Senator STAFFORD. The committee will please come to order.

My apologies for starting a bit late. I would say to our visitors and guests that we have a meeting of the Senate conferees on Superfund in preparation for a conference this afternoon with the House conferees, and there are many difficult matters to resolve. That has tied me up longer than I hoped would be the case.

The hearing today will address two bills pending before the committee: S. 2397, the Public Buildings Authorization Act of 1986 which was introduced in the Senate by Senator Bentsen and myself on May 1. The bill provides monetary authorizations in the amount of $2.4 billion to the General Services Administration. These funds are for public building projects and for operation and maintenance of Federal buildings during fiscal year 1987. William Sullivan, Commissioner of Public Buildings, will testify on GSA's needs and views on the legislation.

In addition, the committee will hear testimony regarding H.R. 2403, an act to require, to the maximum extent feasible, that construction and repair projects undertaken by GSA comply with nationally recognized model building codes and with local zoning orders. This legislation was passed by the House of Representatives last year. We are glad to have with us today two of the sponsors of this bill from the House, Representative Clay Shaw of Florida and Representative Robert Smith of Oregon. Since Mr. Shaw and Mr. Smith are both here, I would invite them to come to the witness table and we would be glad to hear their statements at this time.

I am glad to see that you survived the ocean voyage the other night. We welcome you also, Mr. Shaw. I saw Mr. Smith embarking upon a voyage on the Potomac River, which can always be somewhat perilous, but I saw him safely get back ashore.

I don't know which one of you cares to go first, and we will leave it to you to decide.

STATEMENT OF HON. CLAY SHAW, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. SHAW. Thank you, Mr. Chairman.

It is our pleasure to be here with you this morning to testify on behalf of H.R. 2403, a bill that would require the General Services Administration to comply, to the maximum extent feasible, with the model building codes and local building requirements when constructing or repairing Federal buildings.

As you know, sir, I am the ranking member on the Committee on Public Buildings and Grounds, which has similar jurisdiction over GSA on the House side.

I, together with Representatives Don Sundquist and Bob Smith, introduced this bill last year to correct a longstanding problem at GSA regarding the use of building codes and specifications and the lack of involvement and consultation with local building officials. Bob Smith and I had lengthy conversations in which he brought up the problems that he was having in his district, which really was the catalyst that sparked the birth of this bill.

In the interest of time, I have a rather lengthy statement which I would like to submit for inclusion in the record, which details the intent and purpose of the legislation, and I will summarize my remarks at this time.

Senator STAFFORD. Without objection, your entire statement will appear in the record.

Mr. SHAW. Thank you, Mr. Chairman.

This bill does not mandate that we, the Federal Government, comply fully with the building codes nor that we comply with every single local building requirement in a particular community. For obvious reasons, this would be impractical and would lead to serious problems in design, construction, and completion of a Federal building construction project.

Instead, H.R. 2403 requires that the Federal Government comply, to the maximum extent feasible, with these codes and local requirements, thereby recognizing that there are instances where compliance with the codes and requirements is not in the Federal Government's best interest. In addition, the bill would require GSA to consult with local officials on major Federal construction and repair and alteration projects, the importance of which I will elaborate on.

Back when I was mayor of the city of Fort Lauderdale, GSA came into the city to construct a new Federal building and courthouse. We knew at the time that we had no authority to come on the job and review the plans, but we offered as a courtesy to do this and give whatever information that we felt would be helpful. Needless to say, GSA did not want either our help or our comments.

However, what GSA did not know is that they were constructing a building over an underground river. Had they gone to the building department and had we had an opportunity to review the plans, we would have found out what was going on and that this was going to cause them a problem. In South Florida, constructing

a basement under a building is rarely, if ever, done and particularly if it is going to be done over an underground river. GSA ultimately ended up spending hundreds of thousands of dollars to correct a problem that they had encountered, money which could have been easily saved if prior consultation with the city's building officials had taken place or been required.

Mr. Chairman, the situation I have just illustrated is not an isolated case. It is a situation which occurs repeatedly, as Congressman Bob Smith will attest to, and which I found out has happened in areas other than Fort Lauderdale, such as Charleston, where there has been a problem with constructing a modern-type building in their historical district.

Let me conclude by saying that this legislation should be enacted. Its enactment would emphasize our commitment to the use of the model building codes, codes architects and engineers contracted by GSA are familiar with and use daily. This familiarity will save money and help to avoid confusion over Federal specifications rarely used by many or most of these contractors. Also, the use of the private sector standards is an initiative supported and promoted by our administration.

Finally, the involvement of local officials in Federal projects of this nature I believe is essential. The construction of a 500,000 or more square foot building makes a statement, both architecturally and otherwise, in a community and is a statement the community should be able to have some input into.

Again, Mr. Chairman, we thank you for this opportunity to testify, and I would be pleased at this time to answer any questions which the committee might have, or following Mr. Smith's testimony.

Senator STAFFORD. Thank you very much, Congressman Shaw. We appreciate your coming over here and giving your statement. We do have a question but I think, if it is agreeable with you both, we would allow Mr. Smith to proceed and then ask a question or two.

STATEMENT OF HON. F. ROBERT SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OREGON

Mr. SMITH. Thank you, Mr. Chairman. I think maybe you should be given an award for never having shipwrecked, although in your long naval career I am sure that was possible. However, in my short knowledge of you, you never leave the dock, so there is little danger of that.

Senator STAFFORD. That's the only way to avoid shipwreck.

Mr. SMITH. Thank you, Mr. Chairman. I do have a statement, as well, that I would like to submit for the record. I will just summarize.

Senator STAFFORD. Without objection, we will place it in the record.

Mr. SMITH. Thank you.

I thought that possibly you might have had a similar experience with building codes, in your experience as attorney for the City of Rutland. This legislation addresses the question of Federal Government buildings and how they will be regulated, and the submission

to local authorities in the question of building codes and alterations.

This bill, as you well know, clearly provides that the Federal Government comply with the nationally recognized building codes, zoning laws, and building permit regulations, also on the question of submitting plans to local authorities and inspection by local officials during the construction or the alteration of these buildings.

The first and the original, I think, thought came as a real problem out of the State of Oregon. We had three experiences in Oregon which were rather drastic, and very quickly I might itemize those for you.

In a little town called Sisters, the Forest Service refused to submit a site plan for a building permit, which caused consternation there and violated the safety code of the city.

In Medford three problems existed, in Medford, OR: The post office stairwell was not changed to comply with city regulations for safety. The Forest Service, again, refused to remodel an existing firewall which violated local building codes.

Then again the post office, in building a loading ramp, failed to comply with local regulations and it was found to have a design problem. They had to tear out the loading ramp, which cost $25,000 and could have been saved if there had been any communication between local officials and the Federal Government contractor for these projects.

I guess the ultimate problem we have here is a kind of the arrogance of the Federal Government over their construction and above and beyond local officials, so I think we ought to change that. Philosophically we ought to change it, and I think this bill protects the design and safety and the esthetic values of the local entity, wherever it may be, city or county.

This bill, Mr. Chairman, has no opposition. I think we have worked out the difficulties that may have been there with the GSA. I would hope that you could look favorably upon it, and since this is my first introduction to lawmaking in the Congress, pass it quickly so I can go home and say I did something.

Thank you.

Senator STAFFORD. Thank you very much, Representative Smith.

I note that a rollcall has now started in the Senate, but I have one brief question for each of you. I will ask those and then we will have to recess this hearing while I run over and vote. My committee members are in the conference room. They will have to go over, too.

Mr. Shaw, your bill addressed only GSA. Are there reasons why the bill does not cover other major agencies with construction authority, such as the Department of Defense or the Postal Service.

Mr. SHAW. We didn't get into even consideration of that in the drafting of the bill. Perhaps the Postal Service is an area that someone could look at. As far as the Department of Defense, I do not see a local government participation level there. In fact, I think at first blush I would oppose the expansion into that particular area. As to the post office, I would be sort of a neutral at this point.

Senator STAFFORD. All right.

Mr. Smith, how effective would H.R. 2403 have been in preventing past controversies involving Federal projects in the State of Oregon, if it had been the law when they occurred?

Mr. SMITH. In two occasions in Oregon, one with a lengthy, ridiculous kind of a lawsuit issue in Medford, where the question was not this exact issue but over a building permit question, which we do not have any fees in this bill but if this bill had been in place, in Oregon there would not have been a lawsuit between the city of Medford and the Federal Government, at which point I wrote to Mr. Meese and suggested that for $350 maybe we ought to stop even talking about this; we are wasting a good deal of money. We all agreed this would not have happened, and certainly in the case—although it does not include the post office area, I would suggest it do, if there is no objection to that, because I think this is an obvious problem we have had in Oregon—but had it been in place at that point, it would have eliminated a waste of some $25,000 constructing this ramp which had to be torn out.

So in those two occasions certainly it would have been a difference, plus the fact, Mr. Chairman, philosophically the Federal Government ought to comply with local building codes when possible. There has been an arrogance, as I mentioned, out there among Federal authorities who simply ignore totally local and State and county officials because they can ignore them. This will not allow them to ignore local officials any more.

Senator STAFFORD. All right. I thank you both very much for coming over here. We have taken very seriously what you have told us and we will examine your bill carefully with our members when we get into a markup status. Thank you very much, and my apologies for having to recess the hearing while I go and vote.

Mr. SHAW. Thank you, Mr. Chairman.

Mr. SMITH. Thank you.

[Recess taken.]

Senator STAFFORD. The committee will resume order.

Mr. Kuchnicki from the Council of American Building Officials, we would be glad to hear from you. I see you are from Falls Church, VA, which is also my mailing if not legal address.

STATEMENT OF RICHARD P. KUCHNICKI, PRESIDENT, COUNCIL OF AMERICAN BUILDING OFFICIALS

Mr. KUCHNICKI. Thank you, Mr. Chairman. I also have submitted a written statement for the record, and therefore I will try to only highlight my written statement at this time.

Senator STAFFORD. Without objection, we will place your entire statement in the record.

Mr. KUCHNICKI. Mr. Chairman and members of the committee, the Council of American Building Officials [CABO] appreciates the opportunity to testify at this hearing on H.R. 2403. I am the president of CABO and I am here today on behalf of this Nation's building officials. We are very much in favor of this legislation and we greatly appreciate your taking the time to conduct this public hearing. All of the State and local building officials we have talked with are in favor of this bill, and there is very broad-based support of this concept in the construction industry as well.

The problem that this legislation will address, as we see it, is that all building construction in the United States today except for most Federal construction is regulated by codes and standards that are promulgated and enforced by local and State governments. These local codes are normally based on the model codes. Most Federal construction takes place outside the jurisdiction of the local regulatory authorities because the Federal Government is generally not subject to the laws of lower level government. Many Federal agencies instruct their contractors to follow the local codes, but nonetheless issue their own standards and criteria concerning health, safety, and welfare issues.

The building contractors, architects, engineers, and the remainder of the building community are accustomed to dealing with the process and procedures of the local code officials, fire officials, health officials, and other local officials involved in the building regulatory process. When they are faced with doing a Federal project, a different process for code implementation must be used. Therefore, a cumbersome procedure follows which certainly does not promote cost-effective and efficient construction; but, more importantly, a Federal building may be constructed without the fire protection procedures the local community requires in order for it to make an excellent response to fire, or it may not be constructed with the proper local earthquake strengthening requirements that are needed.

It therefore seems logical that the quality of the end product—a constructed facility—could be vastly improved and the design process simplified and shortened if the Federal agencies were required to use the model building codes generally used in the locale in which the building is being constructed. Building designers throughout the Nation are familiar with the model building codes. In this respect the design process will be quality facilitated.

It would further simplify the process and save the agencies considerable time if a local building permit was required and the local code officials utilized to check the documents for conformance with the code. While this would usually require payment of a fee for the building permit, it would save the agency considerable review time and costs for determining compliance with health and safety matters as set forth in their design criteria.

This approach would bring the Federal buildings in line with the private buildings being constructed in the locality, thereby providing uniform fire protection features, uniform earthquake protection features, uniform hurricane protection features, et cetera, to all buildings. This will allow local fire departments and other local agencies to more intelligently respond to fires and other disasters in a Federal building, should it become necessary, and it would provide an opportunity for a condition peculiar to the locale to be accommodated without later adverse effects.

So CABO endorses the use of the model building codes by the Federal agencies for the design and construction of Federal facilities. We recommend that the Federal agencies use the knowledge and expertise available in the various building code jurisdictions throughout the Nation to ensure compliance with the requirements for protecting the public health and safety. To this end, we strongly support H.R. 2403 as a step in that direction.

CABO supports the concept in H.R. 2403 but recommends that it be modified so that Federal facilities would be designed and constructed in accordance with the model building codes, and that the contractors and subcontractors building those facilities be required to comply with licensing laws and the laws of the authority having jurisdiction with regard to building permits and inspections required for determining compliance. We believe that this would not only assure compliance with the health and safety requirements but would help ensure that local conditions that would adversely affect the performance of a building would also be given appropriate consideration.

Again, we thank the committee for the opportunity to provide testimony today.

Senator STAFFORD. Thank you very much, Mr. Kuchnicki. I do have a couple of questions.

As you know, the bill we are considering applies only to GSA. Do you believe it should be extended to cover other agencies with construction authority, such as the Postal Service or the Department of Defense?

Mr. KUCHNICKI. Yes; we would support that. We have checked with the Postal Service, and I believe I mentioned in my written statement that they tell us they do have a policy of using model codes, but we feel that by including this in the bill, this could strengthen their policy. By making it mandatory, this certainly would be helpful.

The Department of Defense, I don't think that there are very many buildings that would be involved, that come under the purview of local authorities, so it wouldn't be that big an issue with us.

Senator STAFFORD. How frequently are there disputes between local building officials and Federal agencies regarding Federal construction or major renovation projects, and which Federal agencies have been involved in these cases, if you have knowledge of them?

Mr. KUCHNICKI. Well, from what we have been told by the local building officials, it is very widespread. As far as its frequency is concerned, I think it varies from area to area. In some jurisdictions there is very good cooperation, whereas in others such as Oregon, as you heard from others—the cooperation there has been practically nonexistent, so it varies.

Senator STAFFORD. We thank you very much, Mr. Kuchnicki, for helping the committee in its deliberations on these bills, and we appreciate your being here.

Mr. KUCHNICKI. Thank you, Mr. Chairman.

Senator STAFFORD. At this time the Chair would recognize Senator Abdnor, a very valuable member of this committee, for either a statement or any questions. If you have a question of Mr. Kuchnicki, Senator, I am sure he would be willing to come back to the witness table.

Senator ABDNOR. No; that's fine. You have a long list of witnesses yet, and time is short.

I might just say that I have the unique situation of serving on this committee, and also chairing a subcommittee of the Appropriations Committee that appropriates the money that is authorized by this committee. We have a close working relationship. I know sometimes that there is a tendency to just slip things by the com-

mittee, but I think we are making good progress on that by working together. I catch it from both places if I don't do it right.

Senator STAFFORD. Thank you, Senator. As I said, we treasure your being a member of this committee, and you are in a key spot on appropriations in this area. I am sure that fact is not lost on the members of GSA who are present here this morning.

Senator ABDNOR. Thank you.

Senator STAFFORD. The next witness would be Mr. William F. Sullivan, who is the Commissioner of the Public Buildings Service, General Services Administration. Mr. Sullivan, I understand you are accompanied by three people from your staff. You might, if you would, identify them for the record.

STATEMENT OF WILLIAM F. SULLIVAN, COMMISSIONER, PUBLIC BUILDINGS SERVICE, GENERAL SERVICES ADMINISTRATION, ACCOMPANIED BY MR. WILLIAM LAWSON, DEPUTY ASSISTANT COMMISSIONER FOR REAL PROPERTY DEVELOPMENT; JO-ANNE VENNEBERG, ASSISTANT COMMISSIONER FOR REAL PROPERTY PLANNING; AND STUART SMITH, EXECUTIVE DIRECTOR

Mr. SULLIVAN. Certainly, Mr. Chairman. To my left is Bill Lawson, who is Deputy Assistant Commissioner for Real Property Development; on my far right, Jo-Anne Venneberg, who is Assistant Commissioner for Real Property Planning; and to my immediate right, Stuart Smith, who is our Executive Director. Thank you.

Senator STAFFORD. All right, sir. We would be glad to hear your statement. If you wish, we will place the entire statement in the record, or you may read it, whichever you prefer.

Mr. SULLIVAN. Well, I would like to submit my full statement for the record and I will just excerpt from it, Mr. Chairman.

Senator STAFFORD. All right.

Mr. SULLIVAN. I would like to make a few brief remarks on some things that we are particularly interested in, and also to answer some of the questions that you raised concerning the fiscal year 1987 budget.

There are two items that I would particularly like to comment on concerning our construction and acquisition account. The first concerns our proposed acquisition of the Wellesley Island Border Station. Mr. Chairman, in your statement of May 1 which introduced this bill you expressed concern that GSA had not yet submitted a prospectus for this project. Originally we had considered this project a building purchase and not subject to prospectus requirements. However, as the project is a separate line item in the budget, we have reconsidered and in fact submitted a prospectus to the committee.

The second item concerns our request for $1 million for the construction of projects under $500,000, which is not currently included in the bill S. 2397. GSA intends to use these funds for the United States portion of the construction of two joint United States-Canadian border facilities at Alburg, VT and Danville, WA. The desired completion timeframe for those projects is autumn 1987. The U.S. portion of those two projects would be under $500,000 each.

In the repair and alteration area I am concerned that our request for $12,420,000 for the Pentagon was eliminated from the bill. These funds are needed to proceed with fire safety work in the building; $7 million is targeted for the removal of PCB transformers and associated electrical work, work which must be started by fiscal year 1987 or 1988 to meet EPA's guidelines for PCB transformer removal. An additional $3.4 million is requested for other fire and safety work in the basement of the building.

The final $2 million was originally planned for the replacement of deflected floor slabs in the Pentagon officers' athletic club which pose a safety hazard for tenants using the facility. Pentagon officials have recently indicated that this work is not of a high priority to them. Consequently, GSA will work with the Department of Defense to ensure that their concerns are addressed and will, if appropriate, utilize the $2 million for other priority work at the Pentagon such as asbestos removal.

Concerning GSA's leasing budget, I am glad to report that our lease prospectus package was submitted to you on May 1. You have expressed, Mr. Chairman, your concern about the need in fiscal year 1987 for expansion space at the same time that GSA is proceeding with its space reduction program and that Gramm-Rudman-Hollings is reducing Federal agencies' budgets. I am pleased to report that the expansion requirements projected in our budget are based on agency program needs that have been reported to GSA through the space request process, and that we have asked each agency to recertify its expansion requirements in light of these Gramm-Rudman cuts. Our regional offices have been instructed that they are only to proceed with expansion awards upon such certification.

Expansion requirements are greatest for the Departments of Defense, Justice, Treasury, and State. These agencies have either been authorized new programs or significant increases in existing programs. I would also like to point out that even with some expansion requirements, our budget reflects an overall reduction of 1.2 million square feet in the leased inventory and a reduction of about 1.1 million square feet in our total inventory. This illustrates that lease cancellations from our space reduction program will enable us to absorb expanding requirements in other areas.

I would also, finally, like to comment on H.R. 2403, which proposes that GSA comply to the maximum extent feasible with nationally recognized model codes and with local zoning laws. GSA's current policy is to follow local codes and zoning ordinances to the fullest extent practical. Therefore, passage of this bill would not require GSA to alter its current policy. We also have no objection to State and local building officials making recommendations to GSA.

Our only concern was that mandated compliance with all local procedural requirements could delay our design and construction process. However, the bill as it is presently drafted limits the review period by the local officials to 2 months, and that would substantially eliminate our concern. Therefore, GSA favors enactment of H.R. 2403 as passed by the House.

That concludes my statement, Mr. Chairman. I would be pleased to answer any questions that you wish.

Senator STAFFORD. All right. Thank you, Mr. Sullivan.

Could you tell us what GSA's current plans in Wilkes-Barre, PA may be? That has been a matter of some turmoil, over several years.

Mr. SULLIVAN. Yes, Mr. Chairman. We are looking to lease about 190,000 occupiable square feet to consolidate the Social Security Administration's Data Operation Center and to provide continued housing for other agencies. We would continue to maintain leased space at the Luzerne Products Building for records storage. What we would like to do is test the market and see whether or not we can come up with a better lease than the status quo set of leases presently provides.

Essentially what we have found as we have analyzed the situation in Wilkes-Barre is that the cost of leasing is indeed no greater, and may even be cheaper than the cost of new construction in Wilkes-Barre, so we felt, given our limited resources, that we had other places that were more in need of construction or building purchase than Wilkes-Barre.

Senator STAFFORD. Pardon me, Mr. Sullivan. We have problems with a program called Superfund that seem to be intruding on almost everything we are doing lately.

Mr. SULLIVAN. I quite understand. That is a very important program.

Senator STAFFORD. In your statement you say that H.R. 2403 "would not change GSA construction practices or the agency's relationship with local communities in any material way." Why, then, do you support enactment of a Federal statute?

Mr. SULLIVAN. Weil, we think that it will make it clearer to some of our client agencies, for instance, that we do need to consult with the local officials. There sometimes is a reluctance on the part of some of our client agencies to have us do that, and also I think that it will relieve the perception which exists to some extent in local communities, that we are above the local governments and that we are in some way arrogant, as I think was mentioned this morning. We certainly don't want to convey that. We feel that we may be able to benefit. Indeed, as Congressman Shaw pointed out, we are not infallible. There well may be some things we could learn from the local officials that we should take into consideration. So, even though it generally has been our practice to comply with local codes, it will in no way harm our program, and I believe, H.R. 2403 will make it clear to the local people and to our contractors as well that we should consult with the local officials.

Senator STAFFORD. One more question: In your written statement you argue for the need to restore funds requested in the budget but not included in S. 2397 for repair work in the Pentagon. Does GSA have any overall plan for renovations there? Your suggestion that $2 million not used to replace the floor in the officers 'athletic club might be used for other priority work, such as removal of asbestos, indicates a little bit of a haphazard approach to the project. Do you have any specific comments there?

Mr. SULLIVAN. Yes; we are doing an evaluation of the physical plant in the Pentagon presently, and anticipate that that will be completed in the next few months. Present estimates are that it is going to cost an enormous amount of money to renovate that building, probably close to $400 million. We may, as I indicated in my

opening statement, decide not to replace the slab floor but to use those funds for asbestos removal. As we do other renovation work, we often discover an asbestos problem, and we want to have moneys to be able to take care of that.

In addition, I might just mention that we have money in the design budget for construction of mezzanines which would recapture 50,000 square feet of office space, additional fire safety improvements and upgrading in the basement and we would like to see that restored because they are quite cramped over there at the Pentagon. Clearly if we can expand their office space we may be able to eliminate leases and ultimately save money. That is our general comment on the Pentagon situation.

Senator STAFFORD. All right. Mr. Sullivan, some of the members of this committee who are unable to be here this morning, Senator Lautenberg and Senator Bentsen specifically, do have a few questions they would like to submit to you for your response in writing. Would that be agreeable to you?

Mr. SULLIVAN. Fine. Certainly. [See p. 39.]

Senator STAFFORD. All right, then. That is what we will do.

We understand that Senator Specter wishes to appear. I am going to hold this meeting open for him to do so. Since it will concern Wilkes-Barre, Mr. Sullivan, you might wish to remain in the room.

Mr. SULLIVAN. Do I have to?

Senator STAFFORD. No; we will leave that a matter of your discretion.

Mr. SULLIVAN. I will certainly remain, Mr. Chairman.

Senator STAFFORD. All right. In the meantime, the committee—I am going to use the military phrase—the committee can stand at ease until Mr. Specter arrives. He will be a witness in his own right, and you won't have to respond to him.

[Recess taken.]

Senator STAFFORD. The committee will please come to order again.

Senator Specter, we are happy to welcome you here. We delayed recessing the committee a bit so you could make it, and I have asked GSA to have representatives here to hear your testimony.

STATEMENT OF HON. ARLEN SPECTER, U.S. SENATOR FROM THE STATE OF PENNSYLVANIA

Senator SPECTER. Thank you very much, Senator Stafford. I am very grateful to you for awaiting my arrival. I need not say to you, Mr. Chairman, what our Senate schedules are. I have just recessed a Judiciary Committee Criminal Law Subcommittee hearing so that I could come here because this is a matter of great importance, in my judgment, to the country as a whole, to my State, and specifically to the operation of the Social Security activities in Wilkes-Barre, PA. This is a subject which you and I have visited about before.

Senator STAFFORD. That is true.

Senator SPECTER. The committee and staff have worked on this very, very hard.

I would ask unanimous consent that my full statement appear in the record.

Senator STAFFORD. Without objection, it certainly will be.

Senator SPECTER. The statement details the importance of the facility to the Nation in terms of handling very, very important records. It processes 60 million annual wage reports covering $730 billion in gross wages. This is according to the testimony of Marilyn O'Connell, Director of the Social Security Administration's Office of Material Resources. When it says $730 billion in gross wages, I pause on the enormity of the figure and wonder about its accuracy, but I have cited my source. It processes $81 billion in employer/employee gross wages, and maintains about 9 million SSI folders in an active storage file.

There is a real question here, Mr. Chairman, as to efficiency on an effort to consolidate a number of operations. There have been proposals for leasing and there have been proposals for new purchase, and my request to the committee is that we move ahead with a new building because the alternatives simply are not working. A new building will be cheaper in the long run, I do believe. There has been authorization, as I understand it, on the House side. It is something which really ought to be done so that there can be a systematic processing of the very important work of the Social Security Administration.

I, of course, have a keen interest in what happens in my State, as obviously is appropriate, beyond the national interest. A new building in Wilkes-Barre will serve both the country and the State and the community. As a byproduct, it is an area which has been very hard hit. Pennsylvania has not shared in the economic recovery and northeastern Pennsylvania is in need of assistance, but I do not advance that as the prime consideration. I call it to your attention as a corollary factor.

That is the essence of it, Mr. Chairman. I will submit my statement and you and I will have a chance to chat about this under more normal circumstances on the floor. I consider this a matter of such tremendous importance that I have conferred with your staff on a number of occasions, and I will continue to do so because I am not going to leave it staff-to-staff. I will work both with the chairman and with the staff to try to iron out the kinks and get it done.

SENATOR STAFFORD. Thank you very much, Senator. We will assure you that we will seriously consider this matter.

Senator SPECTER. Thank you very much. If I may be excused, I am going to go back to armed career criminals.

Senator STAFFORD. All right. Thank you, Senator.

With that, the committee will stand adjourned.

[Whereupon, at 12:03 p.m., the committee recessed, to reconvene at the call of the Chair.]

[Statements submitted for the record by witnesses and others, and the bills S. 2397 and H.R. 2403 follow:]

STATEMENT OF HON. CLAY SHAW, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. SHAW. Mr. Chairman, all building construction in the United States today, with the exception of most Federal construction, is regulated by codes and standards that are promulgated and enforced by local and State governments. Local building

codes, as a rule, are based on one of the model codes, which have been drafted to meet the building requirements and unique problems of the various geographical areas of the country.

Use of the model code by a State or locality is strictly voluntary. In the Southern States, the predominant building code used is the southern standard building code which was originally issued in 1945. The basic building code, first published in 1950, is the most widely used code in the Northeast and Midwest.

To insure the interests of the community are protected, most localities and States also promulgate and enforce regulations pertaining to zoning, historic preservation, handicap accessibility, building setback law, and other similar requirements. Private developers are required to comply with these regulations or obtain, where applicable, a variance to these regulations. The Federal Government is not legally required to adhere to these local requirements, but, nonetheless, does so in most instances.

It is the General Service Administration's policy—GSA order PBS P 3420.1(6), dated October 20, 1983—"to follow local codes and zoning ordinances to the fullest extent practical" and "compliance with State, local, and Federal regulations to prevent, control, or abate air and water pollution is mandatory." Local codes which would adversely affect the Government's interest, such as those which restrict competition or limit innovation, are not required to be adhered to by GSA. Buildings leased by GSA "shall adhere to local codes."

The Public Works and Transportation Committee is cognizant of GSA's policy with respect to local codes and building requirements and GSA's efforts to comply with these requirements. The committee is concerned, however, about the number of instances in which these codes are not met and the lack of consultation on the part of GSA with the local officials relative to Federal construction and alteration projects.

The purpose of H.R. 2403 is to require that public buildings constructed or altered under the Public Buildings Act of 1959 comply, to the maximum extent feasible, with nationally recognized model codes and with local zoning laws and other local building requirements. To insure these requirements are met, the bill requires the Administration to consult with local officials to submit construction and alteration plans to them, and to permit these officials access to the building site for the purposes of inspections during construction.

Model building codes constitute private sector standards that the Office of Management and Budget encourages the Federal agencies to use. The Department of Housing and Urban Development relies on State or local codes in its multifamily housing program. These codes must be accepted by HUD as being comparable to one of the nationally recognized model building codes or its equivalent. In areas where the code State or local code is not comparable, the Department requires compliance with one of the nationally recognized model codes.

Model codes are promulgated by a number of private organizations and the codes are geographically orientated. For the purposes of carrying out this bill, the model codes and say related supporting documents to be referenced by the administrator include, but are not limited to, the BOCA basic/national building code—prepared by Building Officials and Code Administrators International, Inc.—the standard building code—Southern Building Code Congress International, Inc.—the uniform building code, the uniform plumbing code and the uniform mechanical code—international conference of building officials—the national electric code—National Fire Protection Association—and the south Florida building code—the latest edition of the code applicable to the geographic legion in which the construction or alteration project is being undertaken, shall be used by the Administrator.

A Federal building would also be subject to the same local requirements, or community standards as would be a building constructed or altered by a private developer. The intent of this provision is to assure the compliance of the buildings with the substantive community standards without binding the Administrator of the General Services Administration to following the associated prescribed procedural requirements, such as applying for building or related permits.

To assure the involvement of local officials in Federal construction and alteration projects, the bill requires the Administrator to consult with these officials during the planning process for the project as well as during the actual construction period. The plans for the project shall be submitted to the local officials for their review prior to the initiation of work as specified in the plan.

The size and complexity of the construction or alteration project determines the number of plans which must be drafted and their sequence of preparation. In many instances a complete set of plans for a project may not be finished until the project is well underway. In cases such as this, the Administrator shall submit the plans for

60-911 O - 86 - 2

each phase of the project as they are completed. The local officials shall have a reasonable period of time to review the plans but this time period shall not exceed 2 months.

The submission and review of plans by the Administrator and the local officials, respectively, requires a good faith effort on the part of both parties. The Administrator should not submit the plans in a manner which would unduly burden the local officials. Similarly, the failure of local officials to review the plans should not act as an impediment to moving forward with the project.

During the period of construction or alteration work, the Administrator shall permit the local officials to inspect the project. Inspections should be in accordance with the usual schedule of inspections applied to non-Federal construction or alteration projects in the community.

Again, the logistics associated with the scheduling of inspections requires the good faith effort of both parties. The administrators should keep the local officials apprised of the project and construction schedule to assure local officials have adequate time to prepare for and undertake the inspections required. Similarly, local officials should not set or require arbitrary inspections which could delay the project.

There is no obligation on the part of the local officials to either review the plans or inspect the project. In the interest of the community and the Federal Government, though, the extent to which the local officials expect to be involved should be clarified prior to the initiation of the project. An expressed lack of interest on the part of the local officials shall not serve to relieve the Administrator of his reponsibilities of either submitting plans to or permitting inspections by local officials.

Throughout the planning process and continuing through to the completion of the project local officials may make recommendations to the Administrator concerning measures which should be taken to insure compliance of the project with local building requirements and the model building codes. These recommendations may result from a review of the original proposal regarding where the building is to be located, an analysis of the construction blueprints, as a result of scheduled inspections, or simply based on knowledge of local building conditions, or problems. The administrators shall give due consideration to these recommendations and take remedial action which he feels is appropriate to assure the intent of this legislation is carried out.

While every effort should be made by the Administrator to comply with the model building codes and the local building requirements, it is recognized that in some instance full compliance may not be possible. For instance, requirements which limit competition, restrict innovation, or restrictive requirements enacted by a locality crafted to apply mainly to a Federal project, may prohibit full compliance. Accordingly, the bill retains the sovereignty vested in the Federal Government over lower levels of Government. No action may be brought against the United States and no fine or penalty imposed against the United States for failure to fully comply with the model building codes or local building requirements or failure to implement recommendations made by local communities.

A continual dispute between local officials and the Federal Government regarding Federal construction and alteration projects is whether or not Federal contractors are required to obtain building or similar and related permits for Federal projects, the courts have ruled that Federal contractors are not required to obtain these permits. The intent of this legislation is to affirm that decision and specifies that the Federal Government and contractors employed by the General Service Administration, for construction or alteration projects, are not liable to pay fees or any amounts assessed by a local community for building or similar and related permits, or for the review of the plans or inspections carried out by the local officials. This provision does not exempt Federal contractors from local requirements relating to occupational or business licenses, health or safety standards which are required of contractors performing similar work in the private sector.

The bill applies to construction and alteration projects which have an aggregate cost in excess of $500,000 and which require the transmittal of prospectuses to the Congress. Projects which the Administrator determines would adversely affect national security, for instance alteration or construction projects undertaken by the administration at the Pentagon building, or projects which affect the authorities granted in sections 5, 6, and 8 of the Central Intelligence Act of 1949 would not be subject to the requirements of the bill.

THE SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

TESTIMONY ON HR 2403

MAY 14, 1986

MR CHAIRMAN (SENATOR ROBERT STAFFORD FROM VERMONT) AND DISTINGUISHED MEMBERS OF THE COMMITTEE, THANK YOU FOR GIVING ME THE OPPORTUNITY TO TESTIFY TODAY ON HR 2403. I HAVE JOINED WITH REPRESENTATIVES SHAW AND SUNDQUIST IN INTRODUCING THIS LEGISLATION WHICH CLARIFIES THE POSITION OF THE FEDERAL GOVERNMENT IN COMPLYING WITH NATIONALLY RECOGNIZED BUILDING CODES, AND OTHER LOCAL REQUIREMENTS, SUCH AS ZONING LAWS AND BUILDING PERMIT REGULATIONS WHEN CONSTRUCTING OR REMODELING FEDERAL BUILDINGS. EVEN THE FEDERAL GOVERNMENT SHOULD HEAR AND HEED THE SENSIBLE WORDS OF CAUTION FROM LOCAL INSPECTORS.

IT WOULD REQUIRE THE FEDERAL GOVERNMENT TO SUBMIT PLANS FOR SUCH PROJECTS TO LOCAL BUILDING OFFICIALS FOR REVIEW, AND GRANT THESE OFFICIALS THE OPPORTUNITY TO INSPECT THE BUILDING DURING CONSTRUCTION OR ALTERATION.

I JOINED MY HOUSE COLLEAGUES IN INTRODUCING THIS BILL AS A RESULT OF SEVERAL SITUATIONS THAT AROSE IN MY 2ND CONGRESSIONAL DISTRICT IN OREGON. I'M TOLD THAT SITUATIONS LIKE THE SEVERAL I WILL DESCRIBE ARE NOT UNCOMMON AND EXIST THROUGHOUT THE COUNTRY.

IN SISTERS, OREGON, THE FOREST SERVICE REMODELED THE SISTERS RANGER DISTRICT BUILDING AND REFUSED TO PURCHASE A BUILDING PERMIT OR SUBMIT SITE PLANS. BOTH ACTIONS ARE REQUIRED BY STATE AND COUNTY LAW.

IN MEDFORD, OREGON, THE LARGEST CITY IN MY DISTRICT AND WHERE MY DISTRICT OFFICE IS LOCATED THREE PROBLEMS OCCURRED. FIRST, IN THE MEDFORD POST OFFICE, A STAIRWELL WAS BUILT THAT DOES NOT COMPLY WITH CITY REGULATIONS.

THE SECOND PROBLEM INVOLVES THE FOREST SERVICE. ON A REMODELING PROJECT AT THE ROGUE RIVER NATIONAL FOREST AUTO SHOP, THE FOREST SERVICE REFUSED TO REMODEL THE EXISTING FIREWALL TO MEET CITY CODE AND TO PAY $350 FOR A PERMIT REQUIRED BY THE CITY. THIS CREATED A POTENTIAL SAFETY HAZARD AND THE CITY RESPONDED BY ISSUING A "STOP ORDER" WHICH WAS IGNORED BY THE CONTRACTOR.

I WISH I COULD TELL THE COMMITTEE THIS SITUATION WAS RESOLVED SIMPLY. IT WAS RESOLVED, BUT NOT BEFORE THE FEDERAL GOVERNMENT FILED SUIT AGAINST MEDFORD. LET ME REPEAT THE AMOUNT IN QUESTION-- $350 DOLLARS! — IN A LETTER TO ATTORNEY GENERAL MEESE I SUGGESTED ATTORNEYS INVOLVED IN THE CASE PROBABLY BILL THAT AMOUNT IN LESS THAN ONE-HALF HOUR. I ASKED HIM TO SETTLE THE SUIT AND LET CONGRESS RESOLVE THIS MATTER.

AN AGREEMENT WAS REACHED THAT ALLOWED BOTH THE CITY OF MEDFORD AND THE FEDERAL GOVERNMENT TO CLAIM VICTORY. THE FOREST SERVICE AGREED TO DO THE WORK THE CITY WANTED DONE, AT SOME LATER DATE, AND THE CITY AGREED TO DROP ITS DEMAND FOR IMMEDIATE CORRECTION.

IN ADDITION, AS A RESULT OF A MEETING INITIATED BY SENATOR HATFIELD AND ME, AND ATTENDED BY REPRESENTATIVES OF GSA AND MEDFORD CITY OFFICIALS, GSA HAS AGREED TO, IN THE FUTURE, ABIDE BY CITY BUILDING CODES. I MIGHT ADD, BOTH OREGON SENATORS HAVE INDICATED TO ME THEIR SUPPORT FOR THIS LEGISLATION.

THE THIRD PROBLEM, AGAIN AT THE POST OFFICE, OCCURRED AFTER THE INTRODUCTION OF THIS LEGISLATION AND IF THIS BILL HAD BEEN LAW AT THE TIME, THE GOVERNMENT WOULD HAVE SAVED $25,000. A LOADING RAMP WAS BUILT AND DEMOLISHED WHEN CHANGES WERE MADE IN SPECIFICATIONS. HAD THE CONTRACTOR AND THE POST OFFICE ESTABLISHED A DIALOGUE THROUGH THE CITY BUILDING DEPARTMENT THE TAXPAYERS OF THIS COUNTRY WOULD HAVE BEEN SAVED THE EXPENSE OF THE $25,000 DOLLARS IT COST TO DESTROY THE LOADING RAMP AND REPLACE IT.

IN CONCLUSION, I URGE MEMBERS OF THE COMMITTEE TO REPORT THIS MEASURE FAVORABLY TO THE SENATE. WE MUST NOT ALLOW THE FEDERAL GOVERNMENT TO SUBSTITUTE BRUTE FORCE FOR COMMON SENSE IN QUESTIONS OF LOCAL BUILDING CODE COMPLIANCE.

HR 2403 IS AIMED DIRECTLY AT ELIMINATING THE BLIND ARROGANCE EXHIBITED BY FEDERAL OFFICERS IN THEIR PURSUIT OF FEDERAL INDEPENDENCE IN MEDFORD AND SISTERS, OREGON, AS WELL AS SIMILAR SITUATIONS AROUND THE COUNTRY. IT WILL NOT REQUIRE THE FEDERAL GOVERNMENT TO PAY FOR BUILDING PERMITS, WHICH I WOULD HAVE PREFERRED. IT WILL SIMPLY REQUIRE THAT FEDERALLY-CONSTRUCTED BUILDINGS COMPLY WITH NATIONALLY RECOGNIZED BUILDING CODES, AND LOCALLY ENFORCED ZONING LAWS DESIGNED TO PROTECT A HOST COMMUNITY'S OWN STANDARDS OF DESIGN, SAFETY AND ESTHETIC VALUES.

AGAIN, I THANK THE CHAIRMAN AND THE COMMITTEE MEMBERS FOR GIVING ME THIS OPPORTUNITY.

BUILDING OFFICIALS AND CODE ADMINISTRATORS INTERNATIONAL, Inc.

SOUTHERN BUILDING CODE CONGRESS INTERNATIONAL, Inc.

INTERNATIONAL CONFERENCE OF BUILDING OFFICIALS

Council of American Building Officials

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RICHARD P. KUCHNICKI
PRESIDENT

H.R. 2403

A STATEMENT BY

RICHARD P. KUCHNICKI

ON BEHALF OF

THE COUNCIL OF AMERICAN BUILDING OFFICIALS

BEFORE

UNITED STATES SENATE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

MAY 14, 1986

Introduction

Mr. Chairman and members of the committee, the Council of American Building Officials (CABO) appreciates the opportunity to testify at this hearing on H. R. 2403. I am Richard P. Kuchnicki, President of CABO and am here today on behalf of this nation's building officials.

We are very much in favor of this legislation and we greatly appreciate your taking the time to conduct this public hearing.

All of the state and local building officials we have talked with are in favor of this bill and there is very broad based support of this concept in the construction industry as well.

CABO was established in 1972 for the purpose of serving as the umbrella organization under which the model code organizations of the United States could interface with the various federal agencies, congressional committees, industry organizations and public interest groups.

CABO has as its three members the Model Code Organizations; Building Officials and Code Administrators International (BOCA); International Conference of Building Officials (ICBO); and Southern Building Code Congress International (SBCCI). These model code organizations represent more than 10,000 building code jurisdictions in the United States.

2

Background

Man has had a concern for safety of buildings since the earliest civilizations. In the 18th century B. C., King Hammurabi of Babylonia codified the rules and regulations of the lands he occupied. One of the articles of this ancient code stated "If a builder has built a house for a man, and his work is not strong, and if the house he has built falls in and kills the householder, that builder shall be slain".

In America, the earliest regulations were promulgated in New York in 1648 and simply controlled the construction of chimneys which were then the dominant source of many fires, resulting in a high level of property losses.

Fire hazards in buildings and great fire disasters such as the Chicago fire of 1871 which destroyed some 17,000 buildings have been the motivating force for modern building regulations.

In 1905, the National Board of Fire Underwriters (now the American Insurance Association) published the National Building Code which has been the forerunner for the current nationally recognized model codes.

Written from the standpoint of the insurance industry, the National Building Code had a natural bias which led to the present development of model building codes by organizations of building officials whose members are municipal, county and state building departments.

3

In 1927, the first model code prepared by building officials, the Uniform Building Code, was published by the Pacific Coast Building Officials Conference (now the International Conference of Building Officials). This code is used extensively in the western and midwestern states.

The unique problems affecting construction in the South prompted the building officials in that area to prepare a model code and in 1945, the Southern Standard Building Code was published by the Southern Building Code Congress. This is the predominant building code in the southern states.

The Building Officials Conference of America, now called Building Officials and Code Administrators International, was established in 1915 as a professional society of building officials. They first published the Basic Building Code in 1950. It is the most widely used code in the northeast and midwest.

The model building codes are dynamic documents which are maintained and updated using democratic procedures. Revised editions are published at three-year intervals with annual supplements in the interim years.

Any individual or interested organization may participate in the deliberations of any one or all three model code organizations. Participation is voluntary but it is essential that the total involvement be representative of a viable cross-section of the

building community. Consensus input is the means by which the model codes are continually amended to reflect technological progress. It is also a way in which an unending parade of acceptable new concepts and innovations, new materials and systems of construction, and new research and test findings are brought into practical use in the marketplace.

We have thus evolved a system for maintaining and updating model building code requirements that accomodate technological change, that evaluate products based on current technological developments, and communicate the information to the building officials of the nation. And the model code system is consistent in the context of our socio-economic-political system.

Problem

The problem that this legislation will address, as we see it, is that all building construction in the U. S. today except for most federal construction is regulated by codes and standards that are promulgated and enforced by local and state governments. These local codes are normally based on the model codes. Most federal construction takes place outside the jurisdiction of the local regulatory authorities because the Federal Government is generally not subject to the laws of lower level governments. Many federal agencies instruct their contractors to follow the local codes, but, nonetheless, issue their own standards and criteria concerning health, safety and welfare issues.

5

The building contractors, architects, engineers and the remainder of the building community are accustomed to dealing with the process and procedures of the local code official, fire official, health official and other local officials involved in the building regulatory process. When they are faced with doing a federal project a different process for code implementation must be used. Therefore, a cumbersome procedure follows which certainly does not promote cost effective and efficient construction. But more importantly a federal building may be constructed without the fire protection features the local community requires in order for it to make an intelligent response to fire. Or it may be constructed without the proper local earthquake strengthening requirements that are needed.

It therefore seems logical that the quality of the end-product, a constructed facility, could be vastly improved and the design process simplified and shortened if federal agencies were required to use the model building code generally used in the locale in which the building is being constructed. Building designers throughout the nation are familiar with the model building codes. In this respect the design process will be quality facilitated.

It would further simplify the process and save the agencies considerable time if a local building permit was required, and the local code officials utilized to check the documents for conformance with the code. While this would usually require payment of a fee for the building permit, it would save the agency considerable review time/costs for determining compliance with health and safety matters

as set forth in their design criteria. This approach would bring the federal buildings in line with the private buildings being constructed in the locality thereby providing uniform fire protection features, uniform earthquake protection features, uniform hurricane protection features, etc. to all buildings. This will allow local fire departments and other local agencies to more intelligently respond to fires and other disasters in a federal building should it become necessary. And it would provide an opportunity for a condition peculiar to the locale to be accomodated without later adverse effects.

There has been recognition by some federal agencies that the model code system meets their needs as well as those of the private sector. An example is the policy of the U. S. Department of Housing and Urban Development which now relies on local building codes which are comparable to one of the national model building codes as the basic structure of HUD's Minimum Property Standards for both multifamily and single family housing.

Further, the Office of Management and Budget in its Circular A-119, "Federal Participation in the Development and Use of Voluntary Standards," has indirectly endorsed the model building codes promulgated by the model code organizations. The circular establishes policy to be followed by executive branch agencies in adopting and using voluntary standards. The model building codes constitute private sector standards that OMB encourages the federal agencies to use.

Additionally, we are told by the United States Postal Service that, "as a matter of policy, it does comply with state codes, local codes, local authorities, and government regulations. It hires local professional architects and engineers to design its facilities who are familiar with the local codes. Plans are submitted to the local building departments for information only and in keeping with the Postal Service policy of informing local authorities of what is contemplated in their area."

Further we are told "Postal Service leased facilities that are limited by private investors and leased to the Postal Service do, as a general rule, obtain building permits and submit plans to local building departments for approval similar to other private businesses."

The protection of the public health and safety is a function of our knowledge and our ability to provide the degree of protection desired. There exists a large body of knowledgeable, experienced building officials that enforce requirements for the protection of the public health and safety in the private sector. In as much as these requirements are not a function of the source of funding for the building there appears to be little value in having duplicate sets of requirements or a duplication of staff to enforce such requirements.

Recommendation

CABO endorses the use of the model building codes by the federal agencies for the design and construction of federal facilities. We

recommend that the federal agencies use the knowledge and expertise available in the various building code jurisdictions throughout the nation to ensure compliance with the requirements for protecting the public health and safety.

To this end we strongly support H. R. 2403 as a step in that direction. CABO supports the concept in H. R. 2403 but recommends that it be modified so that federal facilities would be designed and constructed in accordance with the model building codes and that the contractors and subcontractors building those facilities be required to comply with licensing laws and the laws of the authority having jurisdiction with regard to building permits and inspections required for determining compliance. We believe that this would not only assure compliance with the health and safety requirements but would help assure that local conditions that would adversely affect the performance of a building would also be given appropriate consideration.

Again we thank the Subcommittee for the opportunity to provide testimony on H. R. 2403.

STATEMENT BY WILLIAM F. SULLIVAN

BEFORE THE SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

ON S.2397, "PUBLIC BUILDINGS AUTHORIZATION ACT OF 1986"

AND H.R. 2403, CONCERNING COMPLIANCE WITH BUILDING CODES

WEDNESDAY, MAY 14, 1986

Mr. Chairman, Members of the Committee, it is my pleasure to appear before you today to discuss the proposed Public Buildings Authorization Act of 1986 (S.2397) to authorize appropriations for the Public Building Service (PBS) of the General Services Administration (GSA) for fiscal year 1987.

There are three items that I would like to comment on concerning our construction and acquisition of facilities account. First, I support the authorization of an additional $3.5 million in supplemental funds for the construction of the Charleston, South Carolina, Post Office-Courthouse Annex. In fiscal year 1982, $5.4 million was originally authorized for this project. All of the bids that we have received from the private sector for the construction of this project have exceeded the originally-estimated cost, primarily due to higher cost estimates for the granite which will be used in construction. We have determined that an additional $3.5 million will be required in order to make a construction award.

The second item concerns our proposed acquisition of the Wellesley Island, New York Border Station. Mr. Chairman, in your statement of May 1, 1986, which introduced this bill, you expressed concern that GSA had not as yet submitted a prospectus

60-911 O - 86 - 3

for this project. Originally, we considered this project a building purchase and therefore, not subject to prospectus requirements. As the project is a separate line item in the budget we have reconsidered the need for a prospectus, and I am glad to report that a prospectus was submitted to the Committee on May 1, 1986.

The third item concerns our request for $1 million for the construction of small projects under $500,000, which is not currently included in the bill. GSA intends to use these funds for the U.S. portion of the construction of two joint U.S./Canadian border facilities at Alburg, Vermont/Noyan, Quebec, and Danville, Washington/Carson, British Columbia. In March 1985, President Reagan and Prime Minister Mulroney committed to further efforts to facilitate and increase trade between Canada and the U.S. In the spirit of that commitment, Deputy Minister Giroux of Revenue Canada and Commissioner von Raab of U.S. Customs agreed, in May 1985, to pursue the construction of these two border facilities "with due haste." The desired completion timeframe is the Autumn of 1987. The plan is for the U.S. and Canada to split the cost of each facility; the U.S. portion of the cost for each project will be under $500,000. The appropriate international agreements will be finalized through the Department of State. The Canadian Department of External affairs/Revenue Canada will request funding from the Treasury Board in their fiscal year 1986/1987 budget. In order to meet the delivery timeframe, GSA must obtain funding in fiscal year 1987.

There are three items I would like to comment on in the repairs and alterations (R&A) area. You have included in the bill the authorization of $9,167,000 for the Chet Holifield Federal Building in Laguna Niguel, California. GSA supports the inclusion of this project and has submitted an amended fiscal year 1987 design prospectus which includes this project.

My second comment concerns the Grove Arcade Building in Asheville, North Carolina. Mr. Chairman, you were correct in your statement that the President's Budget reflects an incorrect construction estimate for this project. The $7,847,000 identified in the President's Budget is the total prospectus amount which, when prepared, included estimated design and management and inspection (M&I) costs ($764,000) for the project. The amount that will be required for fiscal year 1987 for construction is $7,083,000. The design and M&I costs are currently estimated at $1,070,000. $600,000 for design was appropriated in fiscal year 1985 in the design and construction services account; an additional $470,000 for the remaining M&I is requested in the design and construction services account for fiscal year 1987.

My third comment in the R&A area concerns our request for $12,420,000 for the Pentagon which was eliminated from the bill. These funds are needed to proceed with fire and safety work in the building. $7 million is targeted for the removal of transformers containing polychlorinated biphenyls (PCB's) and associated electrical work. Funding must be provided for this work in fiscal year 1987 or 1988 in order for GSA to meet EPA

guidelines for removal of PCB transformers by October 1, 1990. Ad additional $3.4 million is requested for other fire and safety work in the basement of the building. A final $2 million was originally plan for the replacement of deflected floor slabs in the Pentagon Officers' Athletic Club (POAC), which pose a safety hazard for tenants which use the facility. Pentagon officials have recently indicated that this work is not of a high priority to them. GSA will work with the Department of Defense to ensure that their concerns are addressed and will, if appropriate, utilize the $2 million for other priority work at the Pentagon, such as the removal of asbestos.

Concerning the design and construction services area, I hope that I can shed some light on a somewhat complex account. In this account, GSA budgets for not only the design of all capital projects (both new construction and R&A), but also for the management and inspection (M&I) of those same projects while they are under construction. In addition, GSA also budgets in this account for technical services such as building surveys, inspections and evaluations; and development of policy and program guidance for the design and construction program.

The bill eliminates $740,000 in M&I funds for the same R&A project at the Pentagon that I just discussed. GSA requests the restoration of this as well as the construction amount. Also, the bill eliminates $2.4 million requested for the design of a follow-on project at the Pentagon. This project will include the construction of mezzanines above the existing basement level, which will provide approximately 50,000 square feet of badly-

needed additional office space in the building. GSA requests restoration of this design amount.

Mr. Chairman, you indicated in your statement that our fiscal year 1987 budget request included funds for five projects that were also included in prior budget requests, and that GSA had been unable to explain certain discrepancies to the Committee's satisfaction. I apologize for the confusion, and would like to address these projects individually.

The prospectus for the R&A project at 300 North L.A., Los Angeles, California, submitted March 14, 1984, estimated the construction cost at $7,313,000, the design cost at $595,000 and the M&I cost at $326,000. The current estimated construction cost of $7,825,000 (identified in the bill) represents a 7% increase from the 1984 estimate. This increase in cost is due to the addition of a new sprinkler system. The current estimated design cost is $665,000 and the current estimated M&I cost is $470,000. $492,000 in design funds were appropriated in fiscal year 1985. The remaining $173,000 for design and $470,000 for M&I are requested for fiscal year 1987.

A prospectus for R&A of the District Heating System, Washington, DC, was submitted February 13, 1981. Included in this prospectus was R&A of the Steam Distribution System, estimated at a construction cost of $13,720,000, a design cost of $962,000 and an M&I cost of $518,000. The current estimated construction cost has increased slightly to $13,796,000, as identified in the bill. The current estimated design cost is $1,307,000 and the current estimated M&I cost is $759,000. $13,796,000 in construction

funds and $759,000 in M&I funds were appropriated in fiscal year 1986 (design funds were inadvertently omitted from GSA's request). Because the construction award for this project slipped to fiscal year 1987, the $13,796,000 in construction funds were reprogrammed in fiscal year 1986 to another account; however, the M&I funds were left in the budget. In fiscal year 1987, instead of requesting just the $1,307,000 in design funds for this project (as yet unfunded), GSA mistakenly requested both design and M&I. The appropriate amount that should be in the fiscal year 1987 Design and Construction Services budget is $1,307,000 for design.

The prospectus for the R&A project at 2306 E. Bannister, Kansas City, Missouri, submitted June 13, 1984, estimated the construction cost at $4,408,000, the design cost at $322,000 and the M&I cost at $154,000. The current estimated construction cost remains $4,408,000. The current estimated design cost is $322,000 and the current estimated M&I cost is $331,000. $842,000 in design funds were appropriated in fiscal year 1985; of that amount, $520,000 was reallocated within the account to cover funding shortages in other projects, leaving $322,000 for design. The remaining $331,000 for M&I is requested for fiscal year 1987.

The funding requirements for the R&A project at the Grove Arcade Building, Asheville, North Carolina, have already been outlined earlier in this testimony.

The prospectus for the R&A project at the Post Office-Courthouse in San Antonio, Texas, submitted February 2, 1982,

estimated the construction cost at $6,078,000, the design cost at $467,000 and the M&I cost at $260,000. The current estimated construction cost remains $6,078,000. The current estimated design cost remains $467,000 and the current estimated M&I cost has increased to $334,000. $680,000 in design funds were appropriated in fiscal year 1985; of that amount, $213,000 was reallocated within the account to cover funding shortages in other projects, leaving $467,000 for design. In fiscal year 1986 $6,078,000 in construction funds and $334,000 in M&I funds were appropriated for the project. Because the construction award for this project slipped to fiscal year 1987, the $6,078,000 in construction funds were reprogrammed in fiscal year 1986 to another account; however, the M&I funds were left in the budget. In fiscal year 1987 the $6,078,000 for construction has been requested for reauthorization; however, GSA should not have requested any additional design or M&I funding for this project.

The final area that I would like to comment on is the leasing budget. I am glad to report that our lease prospectus package was submitted to you on May 1, 1986.

Mr. Chairman, in your statement you expressed the Committee's concern about the need in fiscal year 1987 for expansion space at the same time that GSA is proceeding with its space reduction program, and at the same time that Gramm-Rudman-Hollings is reducing Federal agencies' budgets. These expansion requirements are based on agency program needs reported to GSA through the space request process. Our review of these requirements shows that they are necessary to execute

Congressionally authorized and funded programs. GSA, therefore, is obligated to satisfy these needs.

Expansion requirements are greatest for DOD, and the Departments of Justice, Treasury and State. These agencies have been authorized new programs or significant increases in existing programs. I would like to point out that we have asked all of our client agencies to certify their expansion requirements in light of the Balanced Budget and Emergency Deficit Control Act of 1985. Our regional offices have been instructed not to proceed with agency expansion request unless such certification is received.

I would also like to point out that while there are expansion requirements, our budget request reflects an overall reduction of 1.2 million square feet in our leased inventory and a reduction of 1.1 million square feet in our total inventory. This illustrates that our lease cancellations from our space reduction program enables us to absorb expanding requirements and still achieve a net decrease in space.

I would also like to take this opportunity to make a few brief comments about H.R. 2403. This Bill proposes that GSA comply, to the maximum extent feasible, with nationally recognized model codes and with local zoning laws and with certain other laws.

GSA has had in our Quality Standards for Design and Construction handbook a policy statement that GSA "follow local codes and zoning ordinances to the fullest extent practical ..." for some time. With the current referencing of the three model

building codes by most states it becomes more practical to adhere to these model codes wherever practical. Similarly, national codes for life safety and plumbing areas have also been heavily referenced by GSA in the past. What H.R. 2403 would do is to make it mandatory for GSA to conduct its business, wherever possible, in accordance with the same laws and codes used by private concerns.

H.R. 2403 as now written would not change GSA construction practices or the agency's relationship with local communities in any material way. We concur with the bill's provision which requires compliance with model building codes only to the maximum extent feasible. We need the flexibility to adjust our program to meet local requirements that are at variance with the model codes. We would utilize the model code which is most prevalent in the regional area in which each building is to be constructed.

We have no objection to having State and local building officials make recommendations to GSA and in fact, concur with you that it enhances GSA's understanding of and ability to comply with local requirements. Our concern is that mandated compliance with all local procedural requirements could unduly lengthen the Federal design and construction process. An October 1982 study by the Business Round Table documents interminable delays and arbitrary decisions on the part of some building officials. The bill as now written, which limits the review period to two months, would eliminate this concern.

The fact that recognition by the Federal Government of model building and performance codes, as well as consultation with

local officials, is enacted into law should, we believe, eliminate the perception by some critics of the Federal establishment that the Government is "above the law."

We favor enactment of H.R. 2403 as passed by the House. The Bill provides adequate safeguards to protect Federal domain over its property. By relying on the model codes, as opposed to using strictly local codes, the Bill avoids many of the restrictions often placed on local versions of model codes that restrict competition or limit innovation. The model codes, in their unaltered states, represent provisions developed through open, national, consensus procedures.

I thank you for this opportunity to present our views on both H.R. 2403 and the authorization bill, S. 2397.

Questions on GSA's FY87 Public Buildings Program

QUESTION 1: Starting with fiscal year 1985, GSA has used a separate design and construction services budget for the design and management costs associated with new construction and renovation projects. What are the origins of this approach, what advantages has it produced, and what financial controls are used to insure that funds are properly managed?

In FY 1985 the Design and Construction Services budget activity was created to replace the Construction Services Fund (CSF). A 1982 GAO audit determined that the CSF violated the Anti-Deficiency Act because it did not adhere to the project line item limitations. The new budget activity was created to establish a budget mechanism for design and management & inspection (M&I) costs, as well as other technical services, which complied with the Anti-Deficiency Act and was at the same time relatively simple and easy to manage. Congress authorizes and appropriates funds specifically for this no-year activity. The account is intended to allow some flexibility between projects. For example, if the design cost for one project exceeds the original estimate, GSA can fund the shortfall from savings on the design or M&I of other projects.

In addition to the advantage of flexibility, the new activity also allows for the advance design of prospectus level repairs and alterations (R&A) projects. This will result in more timely accomplishment of the projects and more accurate estimates for the construction budget.

GSA has established a series of controls to insure that these funds are managed properly. In each year's budget GSA estimates the design and M&I costs for each individual project and includes these estimates as part of the budget justification. Project descriptions are also included under this activity for R&A advance design projects. All other project descriptions are included in the appropriate line item activity; Construction & Acquisition or Repairs & Alterations. A generic design prospectus is submitted in support of the request for R&A advance design funding.

GSA policy is not to award a design contract for a prospectus-level project unless: 1) the project is included in a prospectus that has been submitted to Congress; and 2) design funds have been appropriated, or GSA has identified enough savings from other D&C Services areas to cover the design cost. Regional allowances for D&C Services specifically identify the amounts available for design and M&I for each prospectus-level project. Finally, D&C Services obligations are monitored on a monthly basis against the budget/prospectus estimates. These controls are in place to insure that D&C Services funds are expended in accordance with the intent of the Congress in authorizing and appropriating funds for the projects and programs covered by this budget activity.

2. GSA has requested over $12 million for the first phase of a $20 million renovation of the Pentagon. It has also requested another $2.4 million to design an additional $40 million of renovation work. What is the total scope and cost of the work needed in this facility? What essential repairs should be started in fiscal year 1987?

Answer 2:

The Public Buildings Service is developing a comprehensive plan for the total renovation of the Pentagon. A contract engineering evaluation is currently underway, and the preliminary cost for a total building modernization is between $360-400 million.

The projects reflected in the fiscal year 1987 request are for selected repairs including PCB transformer replacement and other firesafety improvements. In addition design in the amount of $2.4 million is being requested for the first phase of the total modernization. This work would upgrade the basement of the Pentagon including firesafety improvements and building systems.

Question

3. All but one of 20 lease prospectuses for GSA's National Capital Region include an economic analysis comparing leasing and Federal construction costs. Thirteen of the prospectuses show leasing to be more costly than Federal construction for delivery of the office space required. How and when does GSA plan to move away from this expensive dependency on leasing?

Answer

3. GSA has already begun to move away from the expensive dependency on leasing. However, without sufficient federally-owned space to meet the changing housing needs of agencies, GSA must continue to rely heavily on the commercial leasing market to satisfy these space requirements. Because of this we are continuing to seek ways to improve the mix of federally-owned to leased space and thereby reduce the escalating total annual outlays for rent. Unfortunately improved utilization alone, while it does lessen rental outlays, is only a part of the solution and then only when coupled with consolidations and/or relocation of agencies to less costly space does it produce the greatest benefit. Increased ownership of space must also be achieved, primarily because of the economic advantages that accrue; the ability to consolidate and further because the alternative to own creates important leverage in the lease market.

The impact of increased rental rates is being blunted today by several strategies; the implementation of a locational policy that achieves a least cost inventory of consolidated leased space, consistent with the operating requirements of agencies; a building purchase program that is actively pursuing economically advantageous purchase of existing office buildings suitable for long-term Government occupancy and further, with the assignment/reassignment of space as agencies relocate and/or as leases expire by assisting agencies in improving their space utilization in accordance with the Presidents' work space management reform initiative.

GSA has very limited capital investment resources for Fiscal Year 1987. The majority of our Fiscal 1987 Capital Improvement Program is committed to life and fire safety, Omnibus Judgeship requirements, and basic repair projects in existing facilities.

We have however, targeted the remaining $95 million of our capital program for our Buildings Purchase Program which is directed at purchasing facilities in our major federal communities, where we have high leased space inventories and high rental costs. To date, we have achieved better than a 20 percent cost advantage of ownership over leasing in our purchase program.

QUESTION 4: Although GSA states that one of its objectives for FY87 is to slow the growth of leasing costs, the trend appears to be otherwise. Leasing costs for FY86 show an increase of 3.6 percent above the FY85 level and leasing costs for FY87 display an increase of 5.6 percent above the FY86 level. What accounts for this disturbing trend, and what does GSA plan to do about it?

ANSWER: Since the time GSA formulated the FY86 and FY87 budget requests, several things have occurred which have resulted in increases in those estimates. The current Rental of Space estimate for FY86 is $913 million, a 9.6% increase over FY85. The current estimate for FY87 is $985 million, a 7.9% increase over FY86. The escalation of these costs is primarily due to two factors: 1) the cost of renegotiating expiring long-term leases; and 2) increased expansion space requirements for select agencies.

Despite GSA's goal to achieve an overall inventory reduction of 20 million square feet over the next ten years, major cost increases will continue to necessitate an increase in the Rental of Space budget. Approximately 75% of our leases will roll over in the next five years. In the case of some long-term (20-year) leases, this may result in cost increases of 300% to 400%. The estimated annualized cost of lease renegotiations scheduled for FY87 is $58.8 million.

Budget increases are also necessitated by agency expansion space requirements. While the current FY87 budget estimate contains only 320 thousand square feet of temporary expansion space related to asbestos abatement projects, the current FY86 budget estimate includes 4.2 million square feet of expansion space. The expansion requirement is based on agency program needs reported to GSA through the space request process. Our review of these requirements shows that they are necessary to execute Congressionally authorized and funded programs. Expansion requirements are greatest for the Departments of Defense, Justice, Treasury and State. FY86 expansion has an FY87 annualized cost of $66.2 million.

In an effort to partially offset FY86 increases, the current FY87 estimate reflects lease cancellations of 4.5 million square feet, representing an annualized savings of $51.8 million. These projected cancellations are primarily the result of our space reduction efforts and the opportunity purchase program, whereby GSA can replace costly leased space with Government-owned space.

Overall, the current FY87 budget estimate reflects a net reduction of 4.2 million square feet of leased space. Through our space reduction efforts and building purchases, our objective is to absorb expansion requirements and still achieve a net decrease in space.

5. Senate Public Works Question:

GSA has touted space utilization improvements as a source of major savings for the public buildings program. What savings have been realized to date and what added costs have been generated in the following categories?: (a) administrative expenses, (b) vacant leased space returned to GSA by client agencies, and (c) space alterations to improve the utilization rate in the existing inventory.

Response:

Between FY 1981 and FY 1985, the General Services Administration (GSA) achieved a reduction of aproximately two million square feet of space. At the same time, the number of employees housed in GSA space increased by approximately 12,000. This means that GSA is housing more employees in less space. In fact, our utilization rate has declined from 167 square feet per employee to 159 square feet since FY 1981. It is estimated that actual space reduction of two million square feet considered with an additional two million square feet in savings resulting from more efficient utilization of space has resulted in a cost saving/avoidance of $40 million assuming that $10.00 is the cost per square foot of space occupied.

Administrative expenses including the costs for carrying vacant space and performing space alterations are an on-going part of GSA's space management program. These costs are incurred whether or not there is a space reduction program and a separate accounting is not maintained.

QUESTION

6. The budget request for the FY 1987 repair and alteration program is $362 million and would include 40 line item projects; the comparable figures for FY 1986 are $250 million and 26 projects. Taking into account all past and projected reductions in the PBS work force, does GSA have the capacity to manage the program volume proposed for FY 1987 in an economically efficient manner?

ANSWER

6. There are no planned reductions in the regional architectural/engineering staffs in FY 1987. The FY 1987 FTE level for Design and Construction Services of 682 is the same as FY 1986. GSA will be undertaking a larger R&A program with the same size staff.

GSA will be able to effectively accomplish the FY 1987 repair and alteration workload. PBS is currently using Construction Managers (CM), architect-engineer firms, and inspection services contractors to assist in-house personnel provide the necessary design and construction services. In order to successfully accomplish the FY 1987 Design and Construction repair and alteration workload, PBS must substantially increase the level of contracting-out of design reviews and management and inspection of construction contracts.

The Office of Real Property Development (PQ) is pursuing the use of Construction Managers (CM) to perform design reviews and management and inspection of construction contracts on projects of all sizes and complexities. By August 1986, PQ plans to issue guidance to all regions regarding the procurement of construction managers through use of model construction quality assurance services contracts which will supplement and replace the services now being performed by in-house personnel. Nationwide implementation of this CM concept will provide more in-house personnel capability to concentrate on providing services for the increasing repair and alteration program. These services will include scope development, administration of CM and A/E contracts, review of designs for GSA policy compliance, and acceptance of completed construction.

QUESTIONS FOR THE RECORD BY SENATOR BENTSEN

Question

1. Will you please bring this committee up to date on the consolidation of the Nuclear Regulatory Commission, Whose program is also under our jurisdiction. It is my understanding that a building in Maryland has been selected for this agency. When will it be ready for NRC employees to move into?

Answer

1. The General Services Administration (GSA) recently executed a contract to purchase an 18 story office building in Rockville, Maryland, Known as One White Flint North. It is our plan to relocate six of the Nuclear Regulatory Commission's (NCR) current locations into the building. Three of the locations will fully consolidate and another three will partially consolidate, resulting in approximately 60% of NCR's administrative personnel being housed in the building. The building will be fully occupied by NCR. The closing on this building is scheduled for October 1986.

The move to the One White Flint North Building will be phased through January 1987.

To accommodate NCR's remaining housing needs, GSA will submit a prospectus to the Congress requesting authority to lease a second building to be constructed adjacent to One White Flint North.

Question

2. It is also my understanding that progress is being made with regard to the relocation of the International Trade Commission. What is the status of this issue?

Answer

2. GSA recently signed a lease for 174,785 net useable square feet of space for the U.S. International Trade Commission (ITC) to occupy a building which will be constructed at 500 E Street, S.W., Washington, D.C. The building is expected to be ready for occupancy in September 1987.

We would expect that ITC could vacate their present locations within three to four months after the new space is ready.

QUESTIONS FOR THE RECORD BY SENATOR LAUTENBERG

Question

1. In Fiscal Year 1986, Congress provided the full authorization and appropriation for the construction of a new Federal Building/Courthouse in Newark, New Jersey. What is the current status?

Answer

1. Our New York Regional Office is in the final stages of negotiations for the design contract. It is expected that the design work will begin in September 1986, and the construction start date is currently scheduled for spring of 1988.

Question

2. How much of the funding provided by Congress has been expended to date?

Answer

2. To date, $66,000 has been obligated for preliminary design services.

Question

3. It has come to my attention that the plans for the construction of the new Newark, New Jersey Federal Building/Courthouse might be complicated or altered by the plans of the U.S. Postal Service to expand its present facility in Newark. To what degree is the Courthouse project contingent upon the plans of the Postal Service?

Answer

3. Both GSA and the Postal Service have only recently learned that the city had been discussing offering each agency the same site for both projects. As a result, we have had preliminary discussions with both the Postal Service and the city stressing the absolute need for GSA to be located across the street from both the existing Post Office-Courthouse (PO-CT) and the Rodino Building. It appears that both the city of Newark and Postal Service officials are willing to work out a solution for the USPS requirement that will allow GSA to acquire the property.

Question

4. Should the Postal Service decide to expand its operations, making use of Lots #880 and #881 in the city of Newark, what options would GSA have to move forward with the Federal Building/Courthouse project?

Answer

4. If the Postal Service utilized Lots #880 and #881, it is probable that GSA would have to consider building a facility elsewhere that would contain all of the Court's requirements in a single new facility. This would be necessary since U.S. Court facilities must be collocated for reasons of security and operational efficiency. Of course, reproducing the courtrooms and chambers already present in the PO-CT would be extremely expensive.

STATEMENT OF HON. ARLEN SPECTER, U.S. SENATOR
FROM THE STATE OF PENNSYLVANIA

Mr. Chairman and members of the Committee, I would like to express my appreciation to you for the opportunity to testify on a matter of importance to the Social Security Administration (SSA) the nation's taxpayers, and the city of Wilkes-Barre, Pennsylvania.

I appear to ask that the Committee authorize an appropriation of $20,672,000 for the construction of an estimated 313,600 gross square foot federal building in Wilkes-Barre. This building is desirable for the optimally efficient operation of Social Security activities in Wilkes-Barre in that it would consolidate operations currently spread across four buildings. The House authorized this building in a December 11, 1985, Resolution by the Committee on Public Works and Transportation, and an appropriation is being sought in that body.

Marilyn O'Connell, Director, SSA, Office of Material Resources, testified at a May 13, 1985, hearing before the House Subcommittee on Public Buildings and Grounds, that the Wilkes-Barre State Operations Center (WBDOC) is the oldest and largest of SSA's three data centers in the country. According to her testimony, this facility employs, at peak workload times, approximately 1,100 employees, processes about 60 million annual wage reports reflecting about $730 billion in gross wages, processes $81 billion in employer/employee gross taxes, and maintains about 9 million SSI folders in an active storage file. In addition, she pointed out that this center processes about 2.5 million requests for earnings records received directly from the public and

about 2.8 million Social Security number applications. The Wilkes-Barre center clearly carries on work of major importance to this country that affects tens of millions of Americans.

Ms. O'Connell stated that the Wilkes-Barre operation has historically been one of SSA's most productive operations with a dedicated, highly motivated and stable work force. Yet, she said, "the current split of operations causes inefficiencies and increased administrative and operating costs due to the need for duplicate receiving and storage, increased security needs, additional rents and utilities costs, and the inaccessibility of vital records, as well as added costs for the transportation of workloads and staff between buildings as the work moves through various operations." These present inefficiencies reportedly cost the federal government $1 million per year according to SSA estimates.

The attempt to consolidate SSA operations has a long history with SSA reportedly first considering the idea in 1975. Various proposals have been put forth and considered but have not borne fruit. Considering the cost of inefficiencies and the importance of this SSA center, it is time to act now; this has dragged on for too long. The cost of doing nothing is very high.

GSA has had different stances on this building. On January 18, 1982, GSA submitted a prospectus to Congress recommending the leased construction of a facility. In that prospectus, GSA points out that

large blocks of space in existing buildings are not readily available, stating that "while there are a few tenancies and leases in the area of 20,000 to 40,000 square feet smaller occupancies are the general rule". A lease of 40,000 to 60,000 square feet would not meet SSA requirements. The regional director for GSA, Mr. Cordes, in his May 13, 1985, testimony before the House Public Buildings and Grounds Subcommittee, stated that, "we have concluded that if the Administration determines that a consolidation of SSA is appropriate, those consolidation requirements would best be met by the construction of a new facility at the city-owned site in Wilkes-Barre. Certainly if consolidation were not required, we would agree that on a strictly cost basis, status quo is cheaper. However, the region is convinced that construction would be the most cost-effective alternative for consolidation."

On February 14, 1986, in response to a directive that I had inserted into the 1986 Treasury and Postal Service Appropriations Bill, GSA did a report on three options for the SSA operations in Wilkes-Barre. These included status quo, consolidated lease, or construction. Status quo was not recommended. The 30-year present value of construction is $31,380,000, while that for lease consolidation is $30,031,000. These costs reflect a GSA plan for a smaller building than I am asking for or the House authorized. The square footage that I and the House use are for a total consolidation of operations with other federal offices included. GSA's analysis does not include SSA file storage in the same building. So, it is not

clear how the lease versus building costs comparison would fall for the larger building that we are recommending. Many assumptions went into GSA's analysis for the smaller building which may not be valid; thus, the difference was termed a statistical wash in the report and leasing was recommended. I do not feel that it is a wash. It is preferable to have a permanent structure that is not subject to variances in the rental market over 30 years. It is also preferable to show the long-term commitment of the federal government to maintaining this operation in Wilkes-Barre with its highly praised and efficient workforce.

I believe that it is our responsibility to give GSA guidance on this issue since they have changed their assessment so many times. It should also be pointed out that GSA did not include the $1 million per year estimate for the cost of inefficiencies of separate facilities in any of their numerical calculations.

One must also consider the importance of this building in the context of a region that has not fully benefitted from economic recovery. This area is heavily reliant on anthracite coal and textile jobs which are hard hit industries. Thus, unemployment in Wilkes-Barre is reportedly is in excess of 10%, with pockets of higher unemployment, which is significantly above the national average. As SSA computerizes operations, it will bring the type of economic diversification into high technology areas that is needed. A new

building would also help to bring renewed strength and vitality to the Wilkes-Barre downtown area.

Mr. Chairman and members of the Committee, I feel that this building is very important to the people of Wilkes-Barre and the SSA's 1,100 employees in Wilkes-Barre. The economics support this project and show that it is in the best interest of the nation's taxpayers as well. I ask you to support this authorization and thank you for your time and consideration of this important matter.

STATEMENT BY SENATOR STROM THURMOND (R-SC) BEFORE THE SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS HEARING ON S. 2397, THE "PUBLIC BUILDINGS AUTHORIZATION ACT OF 1986," CONCERNING THE POST OFFICE AND COURTHOUSE ANNEX PROJECT IN CHARLESTON, SOUTH CAROLINA, WEDNESDAY, MAY 14, 1986, SD-406.

Mr. Chairman:

It is my pleasure to express strong support for a provision contained in S. 2397, the "Public Buildings Authorization Act of 1986," which provides an additional authorization of $3.5 million for the Post Office and Courthouse Annex project in Charleston, South Carolina.

This project was approved by the Congress on December 15, 1981, at a cost of $5.4 million. That limit was identical to the amount in the General Services Administration (GSA) prospectus of January 23, 1981.

Shortly after funds were appropriated, GSA began planning the Annex. These initial plans were met with opposition by a number of local historic preservation groups, which contended that the design of the proposed structure was not appropriate for its location, "The Four Corners of Law," one of Charleston's most historic sites. Because of local opposition, GSA revised its initial plans, attempting to reach a mutually acceptable design to meet both historical and structural needs. It is my pleasure to report to the members of this Committee that an agreement on a design has been reached among the interested parties and that GSA

solicited construction bids on the project late in 1985.

Unfortunately, each of the four bids originally submitted were well above the initial project estimate, largely because of inflation during the interim period of talks between GSA and local groups and because the new plan requires a more expensive exterior granite facade. The four bids were so far above the estimate, ranging from $11.4 million to $15.9 million, that GSA rebid the project on March 25, 1986. As a result of the new bid and subsequent negotiations with the contractors, a cost estimate of $8.9 million was achieved, which, as you know, is $3.5 million above the $5.4 million that was appropriated for the project in 1981.

Mr. Chairman, a great need existed for the Post Office and Courthouse Annex when this project was initiated in 1981. As you can imagine, the five year interim period has created an even greater and more urgent need for expanded Courthouse and Postal Service space in the Charleston area. Therefore, I want to commend you for including in S. 2397 a provision to increase the authorization for the Charleston Annex by an additional $3.5 million. This authorization will be a major step toward the completion of this important and much needed public works project.

ASSISTANT POSTMASTER GENERAL
Government Relations Department
Washington, DC 20260-3500

May 27, 1986

Honorable Robert T. Stafford
Chairman, Committee on Environment
and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

On May 14, the Senate Environment and Public Works Committee concluded hearings on H.R. 2403, "to require that public buildings constructed or altered under the Public Buildings Act of 1959 comply to the maximum extent feasible, with nationally recognized model codes and with local zoning laws and certain other laws." During the hearing, there was some discussion on whether or not the coverage of H.R. 2403 should be expanded to include the U.S. Postal Service.

In subsequent conversations and meetings with Committee staff, Postal Service representatives have discussed our concerns with H.R. 2403 and the reasons why the Postal Service would oppose an amendment to the legislation to include the U.S. Postal Service. The staff has extended an invitation to the Postal Service to submit a statement of its views on H.R. 2403.

I have enclosed a statement of the Postal Service position on H.R. 2403 and request that it be included in the official record of the May 14 hearing.

If you desire any further information, please contact me on 268-3731.

Sincerely,

William T. Johnstone

Enclosure

Statement on H. R. 2403

On May 14 the Committee on Environment and Public Works held a hearing on H.R. 2403, a bill "To require that public buildings constructed or altered under the Public Buildings Act of 1959 comply, to the maximum extent feasible, with nationally recognized model codes and with local zoning laws and certain other laws." The question was raised whether to amend the bill to extend it to apply to the Postal Service, which is not covered by the Public Buildings Act.

The Postal Service currently coordinates its facilities design and construction programs with state and local authorities and policies in ways similar to much that is proposed in this bill. It consults with officials of affected states and localities beginning at an early stage. Its architect-engineers normally must comply with all local codes and zoning ordinances in designing a postal facility.

The bill recognizes that certain minimum departures from local requirements and procedures are justified for reasons of federal public policy. The Postal Service has found on occasion that certain aspects of a local code must be waived in order to protect the public interest. The reference in proposed Section 19(a) to maximum feasibility seems to

incorporate this protection for federal responsibilities in the bill. Furthermore, the provisions of Section 19(e) and (f) would preclude state enforcement actions and penalties and inspection charges against the United States.

In two respects, however, the proposed requirements in the bill would hinder the ability of the Postal Service to serve and protect the interests of the mailing public. Section 19(c)(1)(B) would require formal submission of building plans to all interested state and local officials for a two-month review period. The Postal Service has been working hard to find ways to shorten design and construction time in order to respond more quickly and economically to growing service needs in many areas of the country. The two-month formal review would blunt these efforts by adding new delays and increasing construction costs.

Section 19(c)(1)(C) would permit state and local officials to make inspections during construction or alteration of a building. We believe that state and federal interests are best coordinated at the design stage of a building project. Once responsible federal authorities have made the decisions to accommodate federal and state interests to the maximum extent feasible, those federal authorities are properly charged with the responsibility to carry out those

decisions. To inject inspections by state authorities during construction would establish a framework for controversy at a stage where further changes to accommodate state interests may be much more costly in both time and money than during the design process.

We believe that present procedures for following state and local codes and policies are very successful in Postal Service facility design and construction in almost every case. In the two aspects mentioned, this bill would not be helpful in our view. Accordingly, we oppose any amendment to apply it to the Postal Service.

Statement

of

The Associated General Contractors of America

Submitted to

Senate Committee on Environment and Public Works

United States Senate

On The Topic of

Public Buildings Authorizations Act of 1986

May 21, 1986

AGC is:

- More than 32,500 firms including 8,400 of America's leading general contracting firms responsible for the employment of 4,000,000-plus employees;
- 108 chapters nationwide;
- More than 80% of America's contract construction of commercial buildings, highways, industrial and municipal-utilities facilities.

The Associated General Contractors of America is a construction trade association which represents more than 32,500 firms, including 8,400 of America's leading general contracting companies which are responsible for the employment of more than 4,000,000 individuals. These member contractors perform more than 80 percent of America's contract construction of commercial buildings, highways, industrial and municipal-utilities facilities.

The Associated General Contractors of America supports increased funding for the construction, repair and maintainence of the Federal facilities supervised and managed by the Public Buildings Service (PBS).

PBS manages over 7500 government-owned and leased facilities. Over half of the buildings managed by PBS are 35 years old or older. Given the age of the PBS building's inventory and its rapidly deteriorating condition, compared to the current level of funding for PBS construction, AGC believes the amounts required for a properly funded PBS construction program far exceed the $534 million now requested for PBS new construction and repair and alteration projects in FY' 87. This represents a 15% reduction from the FY' 86 authorization.

AGC is cognizant of the Congress's attempt to move forward in FY' 87 with a budget that responds to the federal deficits now facing the nation. AGC believes, however, that the means for an adequately funded PBS construction program already exist, and require redirection rather than significant new spending. The Administration's current budget requests approximately $935 million for the rental of leased space. This figure is a 6%

increase over planned expenditures for PBS' leasing activities in FY' 86. AGC believes a significant portion of the funding allocated to leased facilities should be redirected for use in a well managed and well planned construction program. AGC urges this Committee to adopt language similar to that contained in Senate Bill S. 452, which was introduced in a past session of Congress, to require assurance that within ten years, "no fewer than 80 per centum of the officers and employees of the Government whose offices are provided under this Act shall have their principal offices in public buildings." Such a requirement could save the federal government several billion dollars in lease payments over the next ten years.

The CBO study entitled "The Federal Buildings Program: Authorization and Budgetary Alternatives", June, 1983 states:

> "When comparing both cash effects on the FBF budget and present values, the CBO analysis confirms that, in many cases, construction seems to offer long-term savings relative to leasing. The economies result partly from widely varying conditions in local real estate markets, which drive up rents to the point that costs of federal ownership are eventually exceeded."

Under a section entitled Budgetary Savings, the report goes on to say:

> "Measured over a project's useful life, leasing ordinarily requires larger total cash payments by GSA than would federal construction and ownership of the same space. This occurs because rents for commercial office space are often set to recoup costs within 15 years or less."

Public Buildings Act amendments to require an increase in the percentage of federal employees working in government

owned buildings, as compared to working in leased space, would be an excellant step toward economical, quality construction of government office space and control over leasing costs. AGC urges the committee to take favorable action on an adequately funded PBS construction program so that the government and the taxpayer may take advantage of tremendous cost savings. AGC calls upon Congress to increase the funding available for new construction while directing GSA through appropriate legislation to reduce the government's reliance on leased facilities.

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STEVEN W. SILVER

*Admitted in Washington, D. C. & Alaska
(All others admitted in Alaska)

May 16, 1986

Mr. Steve Swain
Senate Committee on Environment
and Public Works
SD-410
U.S. Senate
Washington, D.C. 20510

Dear Steve:

Enclosed for your information is a copy of written testimony submitted to the Senate Committee on Environment and Public Works by my client, Ratkovich, Bowers & Perez, Inc., which represents Hughes Aircraft Company and Copley Real Estate Advisors/New England Mutual Life Insurance Company.

The purpose of the testimony is to inform the Committee of Hughes Aircraft Company's interest in the possible purchase of the Chet Hollifield GSA Building in Laguna Niguel, California. We also urge the Committee to temporarily delay approval of any proposed renovation of the building pending consideration of the proposed sale by GSA.

I have also enclosed a copy of a letter to Commissioner William F. Sullivan, of the Public Buildings Service of the GSA, requesting permission for my clients to inspect the Chet Hollifield Building for the purpose of preparing their proposal.

Sincerely,

Steve Silver

Written Testimony of
Ratkovich, Bowers & Perez, Inc.
Hughes Aircraft Company
Copley Real Estate Advisors
New England Mutual Life Insurance Company

Submitted to the
SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
Hearing on
FY 1987 Authorization of GSA Public Buildings Program

May 16, 1986

My name is Steve Silver and I represent Ratkovich, Bowers & Perez, Inc , which represents Hughes Aircraft Company and Copley Real Estate Advisors/New England Mutual Life Insurance Company in the matter of a proposed sale of the Chet Hollifield GSA building in Laguna Niguel, California. The purpose of this testimony is to inform the Committee of the proposed sale and to urge that it temporarily delay approval of any proposed renovation of the Chet Hollifield Building pending consideration of the proposed sale by the General Services Administration.

Hughes Aircraft has expressed interest in the purchase of the Chet Hollifield Building for use as office space. A company representative has met with GSA to discuss the possible purchase of the federal building. At this time, we are in the process of preparing a proposal for submission to the GSA. While we are uncertain what the purchase amount contained in the proposal will be, we do expect it to be in excess of $50 million.

We understand that a prospectus for a $10 million renovation to the Chet Hollifield Building will soon be under consideration by the Committee. This prospectus was prepared prior to the agency being made aware of Hughes Aircraft Company's interest in the facility. GSA requested the renovation only after it made several unsuccessful attempts over the past few years to sell the building.

We believe it is in the best interest of the federal government as well as Hughes Aircraft to allow us the opportunity to attempt to consummate a sale. We understand, of course, that this could occur only after all appropriate surplusing procedures have been followed, including advertisement and competitive bidding. Making a decision to renovate at this time precludes the federal government from considering our offer and determining if selling the building is preferable to renovation.

Mr. Chairman, it is not our intent to request a lengthy delay in this matter. We expect to make an offer on the Chet Hollifield Building within the next few weeks. We ask that you postpone your decision regarding the renovation authorization only until we have made an offer and the GSA has had the opportunity to consider its merits.

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STEVEN W. SILVER

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May 16, 1986

Mr. William F. Sullivan
Commissioner
Public Buildings Service
General Services Administration
18th and F Street, N.W.
Washington, D.C. 20405

Dear Mr. Sullivan:

This letter is in response to our meeting last week regarding the possible purchase of the Chet Hollifield GSA building in Laguna Niquel, California by my client, Ratkovich, Bowers & Perez, Inc., which represents Hughes Aircraft Company and New England Mutual Life Insurance Company/Copley Real Estate Advisors.

I met with my client following our conference and it is their wish to proceed with the process of preparing a proposal to purchase the building. They currently are gathering the information they need to make that proposal. In that regard, we are asking the General Services Administration to give Ratkovich, Bowers & Perez, Inc. access to the building. We believe the additional information we will receive from viewing the Chet Hollifield Building will enable us to make the best possible unsolicited proposal.

It is our hope that we will be able to access the building as quickly as possible so that we can expedite the proposal process. We expect to be able to present GSA with a proposal within a few weeks of the building inspection.

I have enclosed a copy of the testimony I am submitting to the Senate Environment and Public Works Committee. It informs the Committee that we are beginning the proposal process and asks that the proposal be fully considered before the renovation process is irrevocable.

Please contact me if you have any questions. I look forward to your reply regarding our request to access the Chet Hollifield building.

Sincerely,

Steve Silver

cc: Sen. Ted Stevens
Sen. Albert Gore, Jr.
Mr. Terence Golden
Mr. Thomas Sherman
Ms. Jo-anne Venneberg
Mr. David Haun
Mr. Steve Swain

II

99TH CONGRESS
2D SESSION

S. 2397

To authorize appropriations for the Public Buildings Service of the General Services Administration for fiscal year 1987.

IN THE SENATE OF THE UNITED STATES

MAY 1 (legislative day, APRIL 28), 1986

Mr. STAFFORD (for himself and Mr. BENTSEN) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

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A BILL

To authorize appropriations for the Public Buildings Service of the General Services Administration for fiscal year 1987.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Buildings Authorization Act of 1986".

SEC. 2. No appropriation, including any appropriation from the fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, shall be made by Congress or obligated by the Administrator unless it has been authorized by Congress in accordance with this Act.

SEC. 3. (a) No public building construction, renovation, repair, or alteration shall be commenced unless an appropriation has first been made in the same fiscal year for which such appropriation is authorized and for the estimated cost of completion of such construction, renovation, repair, or alteration.

(b) Beginning in fiscal year 1988, no lease shall be entered into unless the authority to enter into contracts has first been made for the maximum cost of such lease over the entire term in such amounts as are specified in annual appropriations Acts and in the fiscal year for which such lease is authorized.

SEC. 4. There is hereby authorized to be appropriated for fiscal year 1987 not to exceed in the aggregate the amount of $2,404,437,000 from revenues and collections deposited into the fund pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), for the real property management and related activities of the Public Buildings Service of which:

CONSTRUCTION AND ACQUISITION

(a) Not to exceed $108,873,000 shall be available for fiscal year 1987 as follows:

(1) $2,680,000 for construction of the Columbus, New Mexico, Border Station (including funds for site acquisition);

(2) $3,500,000 to supplement available funds for construction of the Charleston, South Carolina, Post Office and Courthouse Annex;

(3) $1,057,000 for the payment of a claim in relation to the Columbia, South Carolina, Federal Building, Courthouse; and

(4) $101,636,000 for the purchase of sites and buildings at the following locations and maximum acquisition costs:

New York, Wellesley Island, Border Station	$1,925,000
Other selected purchases including options to purchase	99,711,000

RENOVATIONS, ALTERATIONS, AND REPAIRS

(b) Not to exceed $358,027,000 shall be available for fiscal year 1987 as follows:

(1) $211,843,000 for renovations, alterations, and repairs of public buildings at the following locations and maximum construction costs of $500,000 or more:

Alabama, Birmingham, Federal Building, Courthouse	$3,899,000
Arizona, Phoenix, Federal Building, Courthouse	762,000
California, Laguna Niguel, Holifield Federal Building	9,167,000
California, Los Angeles, Federal Building, 300 N. LA	7,825,000
California, San Diego, Federal Building (Old)	1,576,000
California, San Diego, Federal Building, Courthouse	1,178,000
California, San Francisco, Post Office, Courthouse	1,683,000
California, San Francisco, Burton Federal Building (Phase I)	20,000,000
District of Columbia, Federal Building, Post Office (New)	1,700,000
District of Columbia, Federal Building No. 6	1,213,000
District of Columbia, Federal Building No. 8	1,886,000
District of Columbia, Federal Building No. 9	1,713,000
District of Columbia, Federal Building No. 10A	1,121,000
District of Columbia General Accounting Office	3,552,000
District of Columbia, Justice	599,000
District of Columbia, State	2,765,000
District of Columbia, Steam Distribution System	13,796,000
Florida, Miami, Federal Building	11,481,000
Hawaii, Honolulu, Kalanianaole Federal Building, Courthouse	1,850,000
Illinois, Chicago, Railroad Retirement Board	5,200,000

Illinois, East St. Louis, Federal Building, Courthouse	3,762,000
Louisiana, New Orleans, Hebert Federal Building	9,928,000
Massachusetts, Boston, Kennedy Federal Building (Phase I)	13,544,000
Missouri, Kansas City, 601 E. 12th	997,000
Missouri, Kansas City, 1500 E. Bannister	2,560,000
Missouri, Kansas City, 2306 E. Bannister	4,408,000
Missouri, St. Louis, Mart Federal Building (Phase I)	20,000,000
Missouri, St. Louis, 4300 Goodfellow	2,176,000
Nevada, Las Vegas, Federal Building, Courthouse	2,197,000
New Jersey, Trenton, Federal Building	2,070,000
New York, Brooklyn, Federal Building No. 2	9,544,000
New York, New York, Customshouse	8,000,000
North Carolina, Asheville, Federal Building	7,083,000
Oregon, Portland, Federal Building	12,069,000
Texas, Dallas, Federal Building	1,600,000
Texas, San Antonio, Post Office, Courthouse	6,078,000
Utah, Salt Lake City, Post Office, Courthouse	675,000
Virginia, Arlington, Federal Building No. 2	7,464,000
Wisconsin, Milwaukee, Federal Building, Courthouse	2,799,000
Wyoming, Casper, Federal Building, Courthouse	1,923,000

(2) $130,184,000 for renovations and repairs of public buildings at construction costs of less than $500,000; and

(3) $16,000,000 for alterations of leased buildings, the maximum cost for a single building being less than $250,000.

DESIGN AND CONSTRUCTION SERVICES

(c) Notwithstanding the provisions of section 3(a) of this Act, not to exceed $67,586,000 shall be available for design and construction services as follows:

(1) $25,436,000 for repair and alteration projects whose maximum costs of construction do not exceed $500,000;

(2) $13,834,000 for technical services;

(3) $488,000 for design of the Columbus, New Mexico, Border Station;

(4) $17,350,000 for design of repair and alteration projects whose construction phase is authorized to commence in fiscal year 1987 at the following locations and maximum design costs:

Alabama, Birmingham, Federal Building, Courthouse	$292,000
Arizona, Phoenix, Federal Building, Courthouse	57,000
California, Laguna Niguel, Holifield Federal Building	1,330,000
California, Los Angeles, Federal Building, 300 N. LA	429,000
California, San Diego, Federal Building (Old)	292,000
California, San Diego, Federal Building, Courthouse	88,000
California, San Francisco, Post Office, Courthouse	311,000
California, San Francisco, Burton Federal Building (Phase I)	1,876,000
District of Columbia, Federal Building, Post Office (New)	128,000
District of Columbia, Federal Building No. 6	91,000
District of Columbia, Federal Building No. 8	141,000
District of Columbia, Federal Building No. 9	128,000
District of Columbia, Federal Building No. 10A	84,000
District of Columbia, General Accounting Office	266,000
District of Columbia, Justice	47,000
District of Columbia, State	207,000
District of Columbia, Steam Distribution System	721,000
Florida, Miami, Federal Building	989,000
Hawaii, Honolulu, Kalanianaole Federal Building, Courthouse	342,000
Illinois, Chicago, Railroad Retirement Board	312,000
Illinois, East St. Louis, Federal Building, Courthouse	282,000
Louisiana, New Orleans, Hebert Federal Building	596,000
Massachusetts, Boston, Kennedy Federal Building (Phase I)	1,001,000
Missouri, Kansas City, 601 E. 12th	75,000
Missouri, Kansas City, 1500 E. Bannister	192,000
Missouri, Kansas City, 2306 E. Bannister	154,000
Missouri, St. Louis, Mart Federal Building (Phase I)	1,200,000
Missouri, St. Louis, 4300 Goodfellow	163,000
Nevada, Las Vegas, Federal Building, Courthouse	388,000
New Jersey, Trenton, Federal Building	215,000
New York, Brooklyn, Federal Building No. 2	573,000
New York, New York, Customhouse	1,160,000
North Carolina, Asheville, Federal Building	164,000
Oregon, Portland, Federal Building	1,750,000
Texas, Dallas, Federal Building	120,000
Texas, San Antonio, Post Office, Courthouse	47,000
Utah, Salt Lake City, Post Office, Courthouse	125,000
Virginia, Arlington, Federal Building No. 2	448,000
Wisconsin, Milwaukee, Federal Building, Courthouse	210,000
Wyoming, Casper, Federal Building, Courthouse	356,000

(5) $10,478,000 for design of additional repair and alteration projects at the following locations and maximum design costs:

California, Los Angeles, Courthouse	$386,000
California, Sacramento, Federal Building, Courthouse	642,000
District of Columbia, Central Heating Plant	700,000
District of Columbia, Internal Revenue Service	110,000
Illinois, Champaign, Federal Building	176,000
Illinois, Chicago, Dirksen Federal Building	869,000
Illinois, Chicago, Federal Supply Service Depot	376,000
Louisiana, New Orleans, Boggs Federal Building	657,000
Maryland, Baltimore, Appraisers Stores	272,000
Maryland, Middle River, Depot	1,000,000
Massachusetts, Boston, McCormack Post Office and Courthouse	3,200,000
Michigan, Detroit, McNamara Federal Building	302,000
Pennsylvania, Philadelphia, Courthouse	500,000
Texas, Austin, Internal Revenue Service Complex	743,000
Texas, Austin, Post Office	445,000
Virginia, Abingdon, Federal Building	100,000

LEASING

(d) Not to exceed $935,100,000 shall be available for fiscal year 1987 as follows:

(1) $27,700,000 for expansion space; and

(2) $907,400,000 for payments in fiscal year 1987 to provide for space under lease prior to fiscal year 1987 and replacement space, including increases in operating costs and taxes less savings due to lease cancellations.

REAL PROPERTY OPERATIONS

(e) Not to exceed $734,319,000 shall be available for fiscal year 1987 real property operations.

PROGRAM DIRECTION

(f) Not to exceed $57,090,000 shall be available for fiscal year 1987 program direction.

PURCHASE CONTRACTS

(g) Not to exceed $143,442,000 shall be available for fiscal year 1987 for payment of principal, interest, taxes, and

any other obligation for public buildings acquired by purchase contract.

SEC. 5. (a) Funds appropriated under section 4 of the Act for construction, renovation, repair, or alteration shall remain available for obligation and expenditure without regard to fiscal year limitations: *Provided,* That construction, renovation, repair, or alteration has commenced in the same fiscal year which funds are made available.

(b) Commencement of design using funds authorized pursuant to section 4(c) of this Act for projects authorized by sections 4(a) and 4(b) shall be regarded as complying with the provisions of subsection (a) of this section.

SEC. 6. Ten per centum of the funds made available pursuant to this Act to the Public Buildings Service for renovation, alteration, and repair of public buildings and for payment of leases on buildings shall be available for repair or alteration projects and leases, respectively, not otherwise authorized by this Act, if the Administrator certifies that the space to be repaired, altered, or leased resulted from emergency building conditions or changing or additional programs of Federal agencies. Funds for such projects may not be obligated until thirty days after the submission by the Administrator of an explanatory statement to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of

Representatives. The explanatory statement shall, among other things, include a statement of the reasons why such project or lease cannot be deferred for authorization in the next succeeding fiscal year.

○

II

99TH CONGRESS
1ST SESSION

H. R. 2403

IN THE SENATE OF THE UNITED STATES

DECEMBER 12 (legislative day, DECEMBER 9), 1985

Received; read twice and referred to the Committee on Environment and Public Works

AN ACT

To require that public buildings constructed or altered under the Public Buildings Act of 1959 comply, to the maximum extent feasible, with nationally recognized model codes and with local zoning laws and certain other laws.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Public Buildings Act of 1959 (40 U.S.C. 601 et seq.) is amended by adding at the end thereof the following:

"SEC. 19. (a) Each public building constructed or altered under this Act shall be constructed or altered, to the maximum extent feasible, in compliance with one of the nationally recognized model building codes and with other applicable nationally recognized codes. Such other codes shall include, but not be limited to, electrical codes, fire and life safety codes, and plumbing codes, as determined appropriate

by the Administrator. In carrying out this subsection, the Administrator shall use the latest edition of the nationally recognized codes referred to in this subsection.

"(b) Each public building constructed or altered under this Act shall be constructed or altered, to the maximum extent feasible, in compliance with all requirements (other than procedural requirements) of—

"(1) zoning laws, and

"(2) laws relating to landscaping, open space, parking, minimum distance of a building from the property line, maximum height of a building, historic preservation, and esthetic qualities of a building, and other similar laws,

of a State or a political subdivision of a State that would apply to such building if it were not a public building.

"(c)(1) For purposes of meeting the requirements of subsections (a) and (b) with respect to a public building, the Administrator shall—

"(A) in preparing plans for such building, consult with appropriate officials of the State or political subdivision, or both, in which the building is to be constructed or altered;

"(B) submit such plans in a timely manner to such officials for review by such officials for a reasonable period of time not exceeding two months; and

"(C) permit inspection by such officials during construction or alteration of the building, in accordance with the usual schedule of inspections for construction or alteration of buildings in the locality.

"(2) Nothing in this section shall impose an obligation on any State or political subdivision to take any action under paragraph (1).

"(d) Appropriate officials of a State or a political subdivision of a State may make recommendations to the Administrator concerning measures necessary to meet the requirements of subsections (a) and (b). Such officials may also make recommendations to the Administrator concerning measures that should be taken in the construction or alteration of a public building to take into account local conditions. The Administrator shall give due consideration to any such recommendations.

"(e) No action may be brought against the United States and no fine or penalty may be imposed against the United States for failure to meet the requirements of subsection (a) or (b) of this section or for failure to carry out any recommendation under subsection (d).

"(f) The United States and its contractors shall not be required to pay any amount for any action taken under this section by a State or a political subdivision of a State.

"(g) This section applies to any public building for which a prospectus for construction or alteration is transmitted to Congress under section 7 after the date of enactment of this section.

"(h) This section shall not apply with respect to any public building if the Administrator determines that the application of this section to such building would adversely affect national security. Any determination under this subsection shall not be subject to administrative or judicial review.".

(b) Nothing in the amendment made by subsection (a) shall be construed to affect the authorities granted in sections 5, 6, and 8 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403f, 403g, and 403j).

Passed the House of Representatives December 11, 1985.

Attest: BENJAMIN J. GUTHRIE,
Clerk.

By THOMAS E. LADD
Assistant to the Clerk.

[illegible]
[illegible]
[illegible]

Administrator
General Services Administration
Washington, DC 20405

April 28, 1986

Dear Mr. Chairman:

Your Committee requested the views of the General Services Administration (GSA) on H.R. 2403, a bill "To require that public buildings constructed or altered under the Public Buildings Act of 1959 comply, to the maximum extent feasible, with nationally recognized model codes and with local zoning laws and certain other laws."

H.R. 2403 would make law a procedure that GSA has followed in the past. Our "Quality Standards for Design and Construction," PBS P 3430.1, has contained the following requirements for some time:

> "It is GSA policy, however, to follow local codes and zoning ordinances to the fullest extent practical to accommodate local authorities having jurisdiction over fire and police protection and zoning in the area, and to ensure that the building is marketable, should it be decided to sell the building. Local codes which unduly restrict competition or limit innovation should not be adhered to."

We believe that the mandatory use of one of the three model building codes can easily be accommodated within our program. It should be noted, however, that several states continue to author their own statewide building codes, among them New York, Pennsylvania, and Wisconsin. We believe that in these states we should utilize the model code that is most prevalent in the regional area. Compliance with all provisions of the local code should continue to be an advisory provision as it would be extremely difficult for GSA to maintain within a regional office knowledge of every local amendment to a model code. We further concur with the bill's direction to utilize the national electric code, the national fire and life safety codes, and the national plumbing code.

It is important that the limitations on local procedural requirements be maintained in the bill as written. We are concerned that required compliance with local submission and review procedures could again lengthen the Federal design and construction process that we have worked hard to shorten. Further, we support the provision that frees local jurisdictions from mandatory review and inspection obligations.

We believe that this bill will help further diminish the perceived differences between Federal construction and private construction. We encourage the interaction with local officials that the bill will foster.

The Office of Management and Budget has advised that, from the standpoint of the Administration's program, there is no objection to the submission of this report to your Committee.

With best wishes.

Sincerely,

TC Golden

Terence C. Golden

The Honorable
Robert T. Stafford
Chairman, Committee on
Environment and Public Works
United States Senate
Washington, D.C. 20510

ROBERT T. STAFFORD VERMONT, CHAIRMAN
JOHN H. CHAFEE, RHODE ISLAND
ALAN K. SIMPSON, WYOMING
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LEE D. FULLER, MINORITY STAFF DIRECTOR

United States Senate
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
WASHINGTON, DC 20510

May 5, 1986

Honorable Terence C. Golden
Administrator
General Services Administration
Washington, D.C. 20405

Dear Mr. Administrator:

Thank you for your letter of April 28, 1986 in response to my earlier inquiry concerning the potential impact of H.R. 2403 on the public buildings program of the General Services Administration. There are a number of questions and several issues raised by your letter which require further clarification to insure that the Committee correctly interprets GSA's position on this legislation.

Although you state that H.R. 2403 would enact into law existing GSA procedures, the policy manual quoted in your letter refers to local codes and zoning ordinances, not to the nationally recognized model building codes this legislation would have GSA observe. No mention is made of GSA's current regulations which require the agency to meet the objectives of nationally recognized building and performance codes [41 CFR 101-19.002(k)]. Would the enactment of H.R. 2403 change in any material way GSA's construction practices or the agency's relationships with local communities, given what the regulations require?

You suggest that GSA's program can accommodate the mandatory use of one of the three model building codes, even though H.R. 2403 would require compliance only to the maximum extent feasible. Does GSA endorse strengthening this provision of the bill?

You indicate that GSA might experience difficulty at the regional office level in being knowledgeable about local codes and acting in compliance with them. Would not the provision of H.R. 2403 allowing State and local officials to make recommendations to GSA regarding local conditions enhance GSA's understanding of and ability to comply with local codes? Also, has not GSA fully implemented the aforementioned regulation which requires that ". . . special features of local codes directly related to local circumstances or practices will be, to the maximum extent practical, incorporated into the design"?

If GSA design and construction practices do conform to this regulation, what is the basis for your concern that local submission and review procedures might lengthen the Federal design and construction process? How do you currently ensure that special local requirements are being met?

Finally, you note that the bill will reduce perceived differences between Federal and private construction. Given the similarities between this legislation and GSA's current regulations, in what specific ways do you expect perceptions to be altered?

Testimony on H.R. 2403 will be presented at the May 14, 1986 hearing on GSA's public buildings program to be held by the Committee on Environment and Public Works. I would appreciate your prompt response to this inquiry so that the information you provide on this legislation can also be included in the hearing record.

Sincerely,

Robert T. Stafford
Chairman

RTS/ess

General Services Administration
Public Buildings Service
Washington, DC 20405

May 14, 1986

Dear Mr. Chairman:

The Administrator has asked me to respond to your letter of May 5, 1986, requesting clarification of our position on H.R. 2403.

We do not believe there is any inconsistency between the regulatory requirement (41 CFR 101-19.002(K)) that the General Services Administration (GSA) meet the objectives of nationally recognized building and performance codes, and the policy statement in our handbook, PBS P 3430.1, that we follow local zoning ordinances to the fullest extent possible. Enactment of H.R. 2403 as now written would not change GSA construction practices or the agency's relationship with local communities in any material way.

The word "mandatory" in our previous letter may have been a poor choice of words. It was intended to refer to the fact that recognition of the model codes would be enacted into law. We would oppose changing this provision from the way it is now written, as we need the flexibility to adjust our program to meet local requirements that are at variance with the model codes. As stated in our previous letter, we would utilize the model code that is most prevalent in the regional area in which each building is to be constructed.

We have no objection to having State and local building officials make recommendations to GSA and, in fact, concur with you that it enhances GSA's understanding of and ability to comply with local requirements. Our concern is that mandated compliance with all local procedural requirements could unduly lengthen the Federal design and construction process. An October 1982 study by the Business Round Table, a copy of which is enclosed, documents interminable delays and arbitrary decisions on the part of some building officials. The bill as now written, which limits the review period to 2 months, would eliminate this concern.

The fact that recognition by the Federal Government of model building and performance codes, as well as consultation with local officials, is enacted into law should, we believe,

eliminate the perception by some critics of the Federal establishment that the Government is "above the law." For this reason, we favor enactment of H.R. 2403 as passed by the House.

Sincerely,

Bill Sullivan

WILLIAM F. SULLIVAN
Commissioner

The Honorable
Robert T. Stafford
Chairman, Committee on
Environment and Public Works
United States Senate
Washington, DC 20510

Enclosure